

An Appreciation / She Covered 7 Wars but Preferred Writing Fiction

Martha Gellhorn: A Life of Wit and Rage

By Mary Blume
International Herald Tribune

PARIS — Martha Gellhorn died Sunday, the day before she had planned to fly to Luxor for some swimming and uncrowded sightseeing since she reckoned that there would be no tourists about after the recent massacre and, although nearly blind, even she would be able to see the outsized monuments of Karnak.

She was 89, still stunning to look at and listen to and the funniest person I have known as well as the angriest, a unique combination. Her wit was the product of a keen mind and offhand gallantry; her rage, part of the vital best part of a liberal conscience, was against the inability to set things right and she liked lightly to trace it to having had a German governess who was a brute.

I saw her last on Feb. 5 with two other friends, the novelist Ward Just, who first met her when both were reporting from Vietnam, and his wife, Sarah Catchpole. We took the Eurostar over to London, where she had lived for many years, to have lunch in an Italian restaurant after drinks in her apartment in Cadogan Square. She looked marvelous and lanky in a dark blue pullover and trousers bought in a market in Wales, where she used to have a house.

She cared a lot about her looks and other people's but if she was rightly vain ("By God, she is a fine-looking woman," Mr. Just said after we left her) it was in her own way, which meant looking great with small effort and less cost. At her 85th birthday party at the Groucho Club in London, she wore black slacks, a perfect black and white print jacket and pearls. The jacket, she said, dated to Cuernavaca, Mexico, in the 1940s and the pearls were the pop-off kind, from Woolworth's.

Another time she opened her door, superb in a deep red tunic, Diana Cooper's maid, she explained, had seen her from cast-off bath towels. In her dazzling youth in Paris when she hadn't a cent, she was dressed free by Schiaparelli — a walking mannequin — and it was in a Schiaparelli and a hat with feather trailing uncomfortably into her face that she first visited the Roosevelt White House.

Our last lunch began with Mr. Just mentioning a future trip to San Valley, Idaho, which led into a roilingly funny account of her first days there in 1938 when Averell Harriman was trying to launch it as a year-round resort and visiting movie stars came by to shoot, ineptly, (Martha, of course, was a crack shot). She left San Valley in 1939 to cover the war in Finland. As Mr. Just pointed out later, while Martha's then-husband, Ernest Hemingway, only began his vaunted World War II career in the European theater in 1944, Martha had been there from the start.

She was, Mr. Just says, the greatest war correspondent of the 20th century. It was a role she was never entirely comfortable with: She preferred writing fiction; it was injustice of all kinds and not just the outrages of the battlefield that she cared about; and she felt she had been, as she wrote in a collection, "The Face of War," a "special kind of war profiteer." I was physically lucky and was paid to spend my time with magnificent people. "War, she said, "is always worse than I knew how to say, always."

She was a pacifist until the Spanish Civil War



Her wit was the product of a keen mind and offhand gallantry; her rage was against the inability to set things right.

(Spain still meant more to her than any country, she told me walking back to her flat from the Italian restaurant). She covered seven wars as well as going, at 81, to Panama to discover, after a glance at a battered building, that the U.S. Army had lied about the kind of munitions it used. "Martha had the ability to smell out things that other reporters didn't see," says Jonathan Randall, who met her when reporting from Vietnam.

St. Louis, where she was born, meant nothing to her; her family meant a great deal. Her father was a distinguished physician, her mother had been voted the city's most valuable citizen. Gossip was not allowed at the dinner table, only facts, and if there was a dispute the encyclopedia would be consulted. If anyone complained, Martha or her brothers would chant, "Self-pity, that way madness lies."

The family example stayed with her for life. "I knew brave women but none with the same gallantry as Martha. She held herself to a very strict code, no whining or self-pity or messiness," says the writer Gloria Emerson, who met her 26 years ago in Cambridge, Massachusetts, where Martha, typically, was cleaning out a mutual friend's refrigerator.

When she spoke about the Spanish Civil War in that dry-way, which camouflaged her deepest feelings, you knew that in some sense she was still in pain.

It was through her mother's friendship with

Eleanor Roosevelt that Martha became a frequent visitor to the White House, where the food, except for the chicken sandwiches, was awful, and the domestic and foreign issues (sometimes fearfully raised by Martha) urgent.

Mrs. Gellhorn was adored by Martha's friends, not least because when they were passing through St. Louis from one coast to the other by train she would welcome them from the platform with a pitcher of dry martini. Mr. Hemingway, not a generous man, even gave her the manuscript of one of his books. "Thank you, dear," said Mrs. Gellhorn, giving it back, "but I've already read it."

MARTHA roared with laughter when she told me this story. Friends knew enough not to bring up Mr. Hemingway's name, although she did. Once, mixing a salad with a handsome steak and silver fork and spoon, she told me they were the Roosevelts' wedding present. "Ernest took the bowl, which was inscribed, 'To me,'" Mr. Hemingway, she said, became overbearing and possessive. "I can't understand what fame does to people. Ernest was funny. Then he wasn't." In 1944 she wrote in a letter to him:

"I wish we could stop it now, the prestige, the possessions, the knowledge, the victory. And by a miracle return together under the arch at Milan, you so brash in your motorcycle sidecar and I badly dressed, fierce, loving.... By God, how I wish it, the days hard but with that shine on them from not being sure, but of hoping, of believing in fact in just the things we now so richly have."

Martha's last great piece of journalism, in 1996, in which a character named "E" figures, was set in Spain and Czechoslovakia and was called "Memory." Her own was extraordinary, although she liked to claim she had none at all, having said it all up memorizing a physics book in order to get into Bryn Mawr, which, in any case, she quit in boredom in her junior year.

SHE remembered outrages, laughs, friends' problems and yet in her later years she felt useless and so her rage grew and with it a stomach ulcer. Losing her vision was awful for someone accustomed to striding out on her own and to whom the sights of nature were precious (the bluebell at Kew had been an annual delight). She couldn't see to type and could write no other way.

"I am really too old, I have outlived my life," she said in October. Her lucidity could be disarming. "I've never had anything life-threatening, only life-demeaning," she added.

Last Saturday, I telephoned to wish her a good trip to Luxor and she said she wasn't feeling well enough to go. I asked her something about the 1939 war in Finland and she gave a long, and in places, very funny, reply followed by her thoughts on how the course of World War II might have changed had Czechoslovakia had a different leader.

"Everything is wrong in history, everything," she said. "It's always wrong. The people who run it are too stupid to be true and the upshot is that the ruled get it in the neck. Now I have to go because I am feeling rather ill. Thank you for calling." Her manners were perfect, always. Are you being looked after, Martha? I asked. "Yes," she said. "I'm fine."

Sudan Moves to Restore Some Political Freedom

By James C. McKinley Jr.
New York Times Service

KHARTOUM, Sudan — Nine years after it seized power in a military coup, the Islamic party that has molded Sudan into a religious state is enacting a new constitution that officials here maintain will allow a return to party politics and greater political freedom.

Skeptics among opposition leaders and diplomats say it remains to be seen if the reforms being debated this week will be carried out.

But the Sudanese National Congress met this week to approve a raft of constitutional reforms that government leaders say will guarantee freedom of speech and assembly.

Meeting under an enormous tent behind a conference hall here in the capital, the 6,500 members of the congress, which is dominated by the governing party, debated and passed several constitutional proposals Tuesday that try to marry the principles of an Islamic state with the principles of free speech and party politics.

"We want to build a model state where you can act out fully what we profess as a Muslim and at the same time, give everyone else their freedom," said Sayed Khatib, the foreign secretary. "We want to prove that you can be an Islamic state and still at the same time grant freedom to others that have different beliefs."

Political parties have been banned since 1989, when the National Islamic Front seized power in a military coup and toppled a democratically elected government. Since then, the front's leaders have labored to create a state ruled according to the Koran's tenets, enforcing its vision of an Islamic revolution with a sophisticated security apparatus.

But a protracted civil war with Christian and animist rebels in the south, who are fighting for greater autonomy, racial equality and religious freedom, has drained the government's resources and shackled the economy with low wages and skyrocketing prices.

For the government, the war worsened two years ago when several northern opposition leaders in Khartoum went into exile and opened an eastern front, sending rebel cadres to attack Sudan from Eritrea.

At the same time, most Western democracies, led by the United States, have cut off aid to the country and isolated the government because of allegations that Sudan harbors Islamic terrorists from all over the Middle East.

The pressure has taken its toll. Most people in Khartoum grumble openly about the government's handling of the economy and the seemingly endless war, which consumes hundreds of lives and at least \$1 billion a day.

Against this backdrop, there have been some tentative signs that the government is loosening its grip on the political debate. In the last year, for instance, more and more criticism has appeared in the eight newspapers pub-

lished in the capital, and in one case the courts struck down a government ban on an opposition newspaper.

The government has also shown a new willingness to end the war through negotiations. In April 1997, Khartoum signed a peace agreement with several small rebel factions, promising for the first time that the south would be exempt from Islamic laws and that a referendum on independence for the southern provinces would be held.

At the same time, the government has agreed to resume peace talks in Nairobi with the main rebel group, led by John Garang, who says he will accept nothing less than a secular system. This week the government committed itself to a new constitution with some guarantees of civil liberties, including freedom of religion, assembly and speech.

Still, the proposals being discussed contain several loopholes and caveats. For instance, while the freedom of assembly is guaranteed, the government could still crack down on opposition parties if the courts determine they receive money from other countries, advocate violent conflict or "go out of the bounds of religion."

Hassan Turabi, speaker of Parliament and the ideological architect of the 1989 coup, said political parties in theory would be allowed to operate as soon as the new constitution is passed by Parliament in April. But he added that the front will fight hard to undercut the political appeal of other parties.

"There will be a campaign against anything like that — a political, moral, social, cultural campaign — but no legal bar," he said.

Sierra Leone Leader May Return Shortly

FREETOWN, Sierra Leone — A United Nations special envoy arrived Wednesday in Freetown and said President Ahmad Tejan Kabbah could be back in Sierra Leone within two weeks now that the military junta that ousted him has been put to flight.

Francis Keller, a UN special envoy of the secretary-general, said the West African states whose Ecomog force overran the junta were trying to get Mr. Kabbah back quickly.

"The final touches for security arrangements are being made and when they are finished he should be on his way," Mr. Keller said. "I am told that within two weeks, they will probably have finished the arrangements."

"I have been very impressed with Ecomog and how they have taken the situation in hand so quickly," he said of the Nigeria-led West African peacekeepers.

Ecomog has a regional mandate to restore Mr. Kabbah, who was overthrown in a coup May 25.

Mr. Keller's team is in Freetown to assess relief needs. He was accompanied by officials of various relief agencies.

Taipei Pressed to Give Up Airline Stake

The Associated Press

TAIPEI — Officials and lawmakers on Wednesday called on the government to unload its majority share in China Airlines, charging that its confused and divisive structure results in poor management.

An Airbus A300 operated by Taiwan's national carrier crashed Monday night while trying to land in Taipei as it returned from Bali. All 196 people on board and seven people on the ground were killed.

The crash was a blow to the airline's efforts to improve its safety record after a series of mishaps culminated in a crash in Japan in 1994 that killed 264 people.

Relatives of the dead gathered at a morgue Wednesday. Many of the bodies were dismembered and badly burned in the crash, but relatives complained about the amount of time identification was

taking. So far, the bodies of 103 passengers have been identified.

Meanwhile, the chairman of the government-controlled China Airlines Foundation Fund, Hsu Li-teb, said the fund should sell its 71.5 percent stake in the carrier.

Mr. Hsu, a former deputy prime minister, criticized the Transportation Ministry for failing to resolve conflicts among the ministry, the airline and the foundation, and for continuing to allow the company to operate in a gray area neither clearly public nor private.

"The current structure creates a situation where none of the share owners really feel it's their company," Mr. Hsu said. "Management of China Airlines under such conditions is extremely difficult."

Chiang Hung-yi, chairman of China Airlines, has offered to resign over

Taiwan's worst civil air disaster ever.

Opposition lawmakers, and even some legislators of the governing Nationalist Party, have demanded Mr. Hsu's resignation and have called for the government-controlled foundation to be dissolved outright.

A member of the legislature's Transportation Committee, Chen Chi-mai, said the lack of accountability began with the foundation's board of directors, who have no governmental oversight and enjoy immunity from lawsuits.

"Hsu is too friendly with the foundation. We need someone independent and adversarial to clean things up," Mr. Chen said in an interview.

Lax corporate culture and slack safety standards show through in the attitudes of pilots and crew, he said.

The government ordered China Airlines' Airbus fleet grounded on Tuesday.

TRAVEL UPDATE

France Goes After Speeding Drivers

PARIS (AFP) — The French government announced Wednesday a bill aimed at halving the number of deaths from road accidents, with the threat of six months in jail for a second offense of excessive speeding.

Drivers caught speeding at 50 kilometers (30 miles) an hour over the authorized limit more than once could face up to six months in jail and a fine of 50,000 francs (\$8,200), Transport Minister Jean-Claude Gayssot said.

The penalty is one of five major measures contained in the bill approved by the cabinet Wednesday, Mr. Gayssot said. The bill, which goes to Parliament, seeks to halve within five years the annual average of 8,000 driving deaths in France.

A Soaked Florida Fears for Season

PALM CITY, Florida (NYT) — The long reach of El Niño has cast a shadow across the Sunshine State, causing concern that the impending heart of Florida's tourist season will be as wet and windy as the last several weeks.

Thunderstorms spawned in the Pacific weather system have rolled across the state frequently this month, drenching Florida's midsection and prompting two consecutive days of tornado warnings.

More rain fell on the state in the first two weeks of February than normally falls in the full month, the National Weather Service said. There may be no lull as the heavy influx of winter travelers and spring break vacationers begins. The weather pattern is not expected to change significantly until late in spring, said James Lushane, a meteorologist with the National Weather Service in Miami.

Slovenia's tourist income fell 4 percent in 1997, to \$1.18 billion, despite a 10 percent increase in the number of visits, the Chamber of Economy said. The drop was due largely to the strong U.S. dollar and lower duty-free sales, gasoline sales along the Italian border and casino revenues. (Reuters)

WEEKEND SKI REPORT

| Resort | Depth | Mtn. | Res. | Snow | Last | Comments |
|-----------------|--------|--------|--------|------|--------|---|
| L U | Pistes | Pistes | Pistes | Snow | Snow | |
| Andorra | 40 | 80 | good | fair | valued | 32 good snow on most pistes |
| Austria | | | | | | |
| Ischgl | 25 | 123 | Fair | At | spring | 1772 all lifts a and a doubling of new snow |
| Kitzbühel | 5 | 80 | Fair | At | spring | 1772 good snowmaking on upper pistes |
| Lech | 80 | 100 | Fair | At | spring | 1772 some new snow on upper pistes |
| Mayrhofen | 25 | 123 | Fair | At | spring | 1772 good snowmaking on upper pistes |
| Obertauern | 40 | 170 | Fair | At | spring | 1772 light new snow; good upper runs |
| Saalfelden | 20 | 80 | Fair | At | spring | 1772 north-facing slopes; good skiing |
| St. Anton | 40 | 170 | Fair | At | spring | 1772 north-facing slopes; good skiing |
| Canada | | | | | | |
| Lake Louise | 74 | 115 | good | good | packed | 1922 g. skiing on packed snow; all lifts a. |
| Whistler | 120 | 220 | good | good | packed | 1922 g. skiing in fresh snow on all lifts |
| France | | | | | | |
| Alpe d'Huez | 85 | 225 | Good | At | spring | 2172 good skiing; some new patches |
| Les Arcs | 95 | 163 | Fair | At | spring | 2172 mostly good skiing; some lower runs |
| Avoriaz | 110 | 140 | Fair | At | spring | 2172 good snowmaking on upper pistes |
| Chamonix | 70 | 182 | Fair | At | spring | 2172 good skiing on north-facing slopes |
| Courchevel | 100 | 100 | Fair | At | spring | 2172 well-groomed slopes; lower lifts |
| Les Deux Alpes | 70 | 280 | good | At | spring | 2172 high slopes ok; low slightly soft |
| Plaine | 55 | 165 | Fair | At | spring | 2172 good skiing on most runs; low soft |
| Megeve | 80 | 100 | Fair | At | spring | 2172 good skiing; some on most runs |
| Val d'Isère | 105 | 100 | good | At | spring | 2172 good skiing on most runs; low soft |
| Serre Chevalier | 70 | 220 | good | At | spring | 2172 good skiing; some on most runs |
| La Tignes | 105 | 100 | Fair | At | spring | 2172 good skiing; some on most runs |
| Tignes | 105 | 100 | Fair | At | spring | 2172 good skiing; some on most runs |
| Val d'Isère | 80 | 220 | Fair | At | spring | 2172 good skiing; some on most runs |
| Val Thorens | 100 | 220 | Fair | At | spring | 2172 good skiing; some on most runs |
| Germany | | | | | | |
| Garmisch | 5 | 175 | good | At | spring | 1772 mostly good skiing in all areas |
| Italy | | | | | | |
| Bell | 25 | 120 | Fair | At | spring | 1772 all lifts a, 3300 ft pistes; skiing ok |
| Cortina | 15 | 80 | Fair | At | spring | 1772 good skiing on well-prepared pistes |
| Courmayeur | 60 | 170 | Fair | At | spring | 1772 good skiing; 2400 ft pistes |
| Livigno | 50 | 140 | Fair | At | spring | 1772 all high runs ok, low runs a little |
| M. di Campiglio | 30 | 230 | good | At | spring | 1772 good skiing; 2400 ft pistes |
| Madisimo | 60 | 330 | good | At | spring | 1772 good skiing; 2400 ft pistes |
| Salva | 5 | 100 | Fair | At | spring | 1772 all lifts a, mostly good skiing |
| Norway | | | | | | |
| Gjelleråsen | 80 | 70 | good | At | spring | 1922 g. upper all runs; low soft |
| Switzerland | | | | | | |
| Crans Montana | 15 | 215 | Good | At | spring | 2172 good skiing; 2400 ft pistes |
| Engadina | 85 | 120 | Good | At | spring | 2172 good skiing; 2400 ft pistes |
| Klosters | 15 | 110 | Fair | At | spring | 2172 good skiing; 2400 ft pistes |
| Murren | 30 | 60 | Fair | At | spring | 2172 good skiing; 2400 ft pistes |
| Saas Fee | 47 | 178 | good | At | spring | 2172 good skiing; 2400 ft pistes |
| St. Moritz | 25 | 80 | Fair | At | spring | 2172 good skiing; 2400 ft pistes |
| Verbier | 35 | 130 | good | At | spring | 2172 good skiing; 2400 ft pistes |
| Wengen | 10 | 50 | Fair | At | spring | 2172 good skiing; 2400 ft pistes |
| Zermatt | 35 | 110 | Fair | At | spring | 2172 good skiing; 2400 ft pistes |
| U.S. | | | | | | |
| Aspen | 115 | 118 | good | At | spring | 1922 excellent skiing; all lifts open |
| Bruckfield | 125 | 130 | good | At | spring | 1922 good skiing; all lifts open |
| Creteville | 125 | 130 | good | At | spring | 1922 all lifts open; 1820 ft open |
| Mammoth | 380 | 420 | good | At | spring | 1922 all lifts open; 1820 ft open |
| Park City | 217 | 220 | good | At | spring | 1922 all lifts open; 1820 ft open |
| Val | 130 | 150 | good | At | spring | 1922 all lifts open; 1820 ft open |
| Winter Park | 150 | 170 | good | At | spring | 1922 all lifts open; 1820 ft open |

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

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THE AMERICAS

Clinton Seeks Dismissal
Of Paula Jones Lawsuit

Her Career Wasn't Hurt, His Lawyers Say

By Peter Baker and Lois Romano
Washington Post Service

WASHINGTON — President Bill Clinton has asked a federal court to throw out Paula Jones's sexual harassment lawsuit, arguing that she has not proved she suffered career harm or serious emotional anguish even if he did sexually proposition her in a hotel suite in 1991, as she claims.

In the filing Tuesday, Mr. Clinton's lawyers, as they have in the past, said he vehemently denies "exposing himself and asking Mrs. Jones for sex while he was governor of Arkansas and she was a low-level state clerk. But in a motion seeking to avoid a trial May 27, the lawyers maintained that Mrs. Jones had not demonstrated that he retaliated against her for rebuffing a sexual advance, assuming for the sake of argument that it happened.

The thick file of documents and exhibits delivered to U.S. District Court in Little Rock, Arkansas, gave the first public glimpse of the evidence collected during five months of discovery that until now has been sealed by a judge's confidentiality order. The hundreds of papers contained excerpts from Mrs. Jones's deposition — including graphic questions about her alleged encounter with Mr. Clinton — and affidavits from her supervisors in the Arkansas agency where she worked.

In the brief, Mr. Clinton's lawyers argued that the evidence-gathering phase that ended Jan. 30 showed the case was a "frivolous claim" and should be rejected to protect both the White House and working women. If the case was permitted to go to trial, they wrote, all future presidents "could be subjected to litigation and trial based on similar insupportable claims."

"Such a result ultimately also would redound to the detriment of working women," they added, "for male officials and executives would hesitate before meeting or traveling alone with them for business purposes, out of fear of being sued."

Mr. Clinton filed the motion for summary judgment nearly a month before a court deadline in an effort to speed along the suit and present his side of the story to the public. The case led directly to the crisis endangering Mr. Clinton's presidency when federal investigators began looking into whether he tried to obstruct justice by urging a White House intern, Monica Lewinsky, to lie about an alleged affair if they were asked by Mrs. Jones's lawyers.

"We want to get this case resolved and resolved quickly," said Robert Bennett, a Clinton attorney.

A motion for summary judgment is standard for a defendant after discovery, but the papers telegraphed the legal strategy Mr. Clinton will employ even if he fails and has to go to trial. While the Jones camp has devoted considerable time and energy to finding other women who purportedly had sexual encounters with Mr. Clinton, the president's team put forward the argument that Mrs. Jones not only was unharmed but also was actually happy after her meeting with the governor in a private suite at the Excelsior Hotel in Little Rock during a state economic conference on May 8, 1991.

Employment records cited by Mr. Clinton's lawyers showed that Mrs. Jones, a \$4.95-an-hour document examiner at the Arkansas Industrial Development Commission, received satisfactory reviews and raises totaling 25 percent during her two years on the job. Statements solicited from supervisors denied that Mr. Clinton or his aides told them to treat her badly or even mentioned her at all.

"No one from the governor's office, including Governor Clinton, ever requested that I take any job action with respect to Mrs. Jones, adverse or otherwise," Clyde Pennington, her direct boss, said in a sworn statement.

Mrs. Jones's lawyers have 14 days to respond to the Clinton motion and said Tuesday that they could not discuss it in detail because they had not seen it. But her lead attorney, Donovan Campbell Jr., said Mrs. Jones did suffer on the job.

"She did not obtain the same kind of raises and advancement that similarly situated employees obtained," he said.

Mrs. Jones also has witnesses whose testimony may help lend credence to her story. Two friends have said she told them shortly after the incident that Mr. Clinton had made a pass at her and that she seemed distraught about it.

Because she waited three years after the episode, Mrs. Jones could not file her lawsuit under the standard sexual harassment code, so instead she claimed that her civil rights in the workplace were violated by virtue of sexual harassment, that Mr. Clinton conspired with his bodyguard, a state trooper, to deprive her of her constitutional rights, and that she suffered severe emotional distress from the incident.

To prove her civil rights were abridged, Mrs. Jones would have to show that as a result of refusing an employer's advance that she either was the victim of "quid pro quo" discrimination in which she suffered "tangible job detriment" or was subjected to a hostile or abusive work environment.

Mr. Clinton's lawyers are privately confident that they have disproved any quid pro quo discrimination, though the hostile workplace claim is more open to interpretation.

But given the high profile of the case, U.S. District Judge Susan Webber Wright may opt for a safe route and leave it to a jury to decide.



Senators Dianne Feinstein, right, and Orrin Hatch, center, along with the actor Paul Reiser, taking part in a Los Angeles news conference where they unveiled the proposed bill to protect people from photographers.

A Bill to Keep the Paparazzi in Check

2 Senators Promote Legislation to Put a Leash on 'Celebrity Stalkers'

By Todd S. Purdum
New York Times Service

LOS ANGELES — A bipartisan pair of high-powered U.S. senators have come to Hollywood to promote legislation intended to curb the abuses of paparazzi who stalk celebrities. The bill would make it a federal crime to chase someone in a way that risks bodily harm in an effort to photograph or record the person for commercial purposes.

"There is a line between legitimate news gathering and invasion of privacy, between snapping a picture of someone in a public place and chasing them to the point where they fear for their safety," said Senator Dianne Feinstein, Democrat of California, who joined Senator Orrin Hatch, Republican of Utah and chairman of the Judiciary Committee, at a news conference Tuesday at the office of the Screen Actors Guild here.

Their bill would also change the definition of trespassing, making a photographer's use of a telephoto lens grounds for a civil trespassing suit if the pictures could not otherwise be taken without setting foot on private property.

If photographers chased someone, the bill would impose mandatory prison sentences of at least 20 years in the case of a death, and at least five years in the case of physical injury.

The legislation, in the planning stage for more than a year, was in response to complaints by celebrities in recent years. Ms. Feinstein said the death of Diana, Princess of Wales, in Paris last summer, stimulated efforts for a law to deal with "an increasingly aggressive cadre of fortune seekers with cameras."

The provision establishing use of telephoto lenses or remote listening devices as grounds for civil trespassing suits would apply only to "personal or familial activity" on private property that could not otherwise be observed.

Still, the local chapter of the American Civil Liberties Union opposes the bill on the grounds that the offenses it seeks to prevent are already adequately covered by state law.

Mr. Chernerinsky observed that violators would have to be shown to be "persistently physically following or chasing a person in a manner that causes the person to have a reasonable fear of bodily injury" to be found guilty of the criminal endangerment provision.

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POLITICAL NOTES

Starr Wants Notes

WASHINGTON — Kenneth Starr, the Whitewater prosecutor, wants the Supreme Court to clear the way for him to get notes from a meeting that Vincent Foster, the late White House aide to President Bill Clinton, had with a lawyer nine days before Mr. Foster's suicide in 1993.

Mr. Starr wants to determine whether presidential aides lied about whether Hillary Rodham Clinton had a role in a White House purge of its travel office staff. She has said she had no role.

Mr. Foster's conversation with the lawyer, Jim Hamilton, focused on those firings, but Mr. Hamilton is exercising an attorney-client privilege against disclosure. Last month he asked the Supreme Court to help him keep three pages of notes out of Mr. Starr's hands.

In a response filed Tuesday, the prosecutor argued that no such privilege of confidentiality exists once a client dies. And he told the justices that granting Mr. Hamilton's appeal will only "delay an important grand jury investigation which touches on vital matters of public concern."

Back to the Basics

WASHINGTON — The Christian Coalition, buoyed by its victory against gay civil rights legislation in Maine, is planning a return to the basics: church recruiting and social issues.

After private meetings with 65 state and local leaders last week-end, the conservative grass-roots group decided that the best way to raise money and increase its electoral clout is by talking to churchgoers about such subjects as abortion, gay rights, pornography and gambling.

The Families 2000 strategy calls for recruiting 100,000 church leaders by November 2000. The coalition also plans to distribute 45 million voter guides during this year's congressional elections.

"Our goal in all of this is to ensure that local, state and federal officials of both parties be held more accountable on pro-family issues," said the coalition's executive director, Randy Tate.

During the ballot fight in Maine, the group identified 77,000 new supporters through 900 churches in the state.

That led not only to repeal of the anti-discrimination law, but also to the prospect of new doors filling the coalition's depleted coffers, Mr. Tate said.

Quote/Unquote

Lucianne Goldberg, a New York book agent and friend of Linda Tripp on why Ms. Tripp provided prosecutors with recordings of conversations with Monica Lewinsky: "She panicked and she wanted immunity, and she had to have a lawyer now who knew how to get her immunity on the tapes." (AP)

U.S. Charges Trio
As Spies for East

WASHINGTON — A former Pentagon lawyer, her union-representative husband and a former U.S. Army paralegal have been indicted on charges of conspiring to spy for East Germany, the Soviet Union, the Russian Federation and South Africa.

The indictment, returned Tuesday by a federal grand jury in Alexandria, Virginia, indicated that the defendants, arrested in an FBI sting operation last October, had rejected the opportunity of bargaining to lesser charges, legal sources said.

Attorneys for two of the defendants denied the allegations and said they would attack the legality of the Foreign Intelligence Surveillance Act.

The defendants are James Michael Clark, 49, a former army paralegal; Theresa Maria Squillacote, 40, a former senior staff attorney for a deputy undersecretary of defense, and her husband, Kurt Alan Stand, 43, a former regional representative of the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations.

AMERICAN
TOPICSAmong Blacks, Washington
Ranks as the Top Surname

When Gregory Washington met Craig Washington, he saw something he had never observed in someone with his last name: white skin. "I thought he was going to be black," said Gregory, an African-American, of his first meeting with a new co-worker at a company in Torrance, California. "I told him he was the first white Washington I'd ever seen. I joked that we must be brothers."

Gregory's assumption was not ill-founded, reports the Los Angeles Times. Ninety-three percent of Americans with the last name Washington are black, according to the Census Bureau, which says that makes it the highest concentration of black people per surname.

But genealogists and historians, not to mention the 116,000 black Washingtons, know frustratingly little about the ironic prevalence among blacks of the surname made famous

by George Washington, a founder of the nation but also a plantation slaveholder.

After the Civil War, when the passage of the 13th Amendment freed 4 million slaves, most had been barred by their owners from having last names. Many picked the surnames of the former presidents Jefferson and Jackson. Washington also became a popular choice.

Some historians believed that the freedmen, who had deliberately been kept uneducated, were unaware that George Washington had owned 130 slaves, but did know he was the founder of the Union that crushed the slaveholding Confederacy. They may also have known that he set his slaves free upon his death. Other historians say the name was picked as a protest.

In light of allegations that Thomas Jefferson sired children both white and black, it should be said that the same suspicions do not surround George Washington. He may have been the father of the country, but that was all. Many historians believe he was sterile.

Short Takes

Wang Jian, 28, became something of a hero in New York's

Chinatown when he stood on the steps of City Hall recently and set off a string of firecrackers, only to be arrested on four misdemeanor charges.

The city had banned the use of firecrackers during the Chinese New Year. But many Chinese-Americans say firecrackers are central to the rituals of the celebration. When Mr. Wang emerged from a police station, people stood in line to shake his hand. The city stands by the ban, citing a risk of injury or even death. In Chinatown, people say the small firecrackers commonly used are relatively safe.

Is it the politicians? The lawyers, who occupy a 80-page section of the Yellow Pages? Lovers making late-night phone calls? Whatever the reason, residents of the District of Columbia spend more time than those of any of the 50 states speaking on the telephone each year. Washington residents spend an average 435 hours a year with phone to ear, compared with 249 in Maryland, the next highest. At the other end of the spectrum are the residents of Iowa, South Dakota and the notoriously reticent people of Maine, all of whom spend less than 150 hours a year on the line.

Away From Politics

The U.S. government will soon begin replacing millions of Border Crossing Cards with state-of-the-art documents that use compact-disk technology to store information for crossing of the Mexican border. The replacements, called "laser visa" cards, will have security features intended to make them much more difficult to counterfeit. The cards are issued only to Mexicans.

The Newark Police Department is paying gun owners to turn in their weapons, and it has collected 213 firearms at a cost of \$15,725.

Malread Corrigan Macguire, the 1976 Nobel Peace Prize winner, was arrested and jailed after refusing to leave a federal prison in a show of support for a jailed peace activist, Philip Berrigan. Ms. Macguire visited Mr. Berrigan on Monday at the Petersburg Federal Correctional Institution in Virginia, where he is serving a two-year sentence for vandalizing a navy destroyer. When she refused to leave, prison officials and FBI agents took her to the city jail and held her on a charge of trespassing. Judge Karen Williams of U.S. District Court dismissed the charge and freed Ms. Macguire.

A federal judge in Denver has scheduled a March 25 hearing to decide what guidelines he will follow in sentencing Terry Nichols for the Oklahoma City bombing. Mr. Nichols says he should serve four to six years in prison, the maximum for the manslaughter conviction, while prosecutors say he should spend the rest of his life in prison for his conspiracy conviction.

CROSSWORD

ACROSS

1 Where Caesar landed, 46 B.C.

7 Huge

14 Weaved

16 Requires more than one person, in a saying

24 Pro

28 Ask, as for a loan

30 First holder

31 Chap

32 Equivocal

33 Occupy

34 Like best

25 Part of an exchange

26 Hardly a libertine

29 Ceremonial occasion

32 A Turner

33 Match game?

35 French chef's mushroom

36 Torrent

40 Photographer's setup

44 They're heard in songs

45 Giant of a Giant

46 Not a hog

47 Suffix with pay

48 Continental money

49 Atmosphere: Prefix

50 Power site

51 First Prefix

52 Medit. country

53 Classic Jolson hit

55 Gains control, in a way

61 Salsa

62 Drives

DOWN

1 Lawyer: Abbr.

2 Showcase

3 What lost computer data may need to be

4 Detail

5 Threes, in Thiers

6 Film with the Oscar-winning song "Best That You Can Do"

7 Kind of court

8 An Aleutian

9 Depot

10 Place

11 Some investments, for short

12 City with a view of Santa Cruz

13 Enters, but just barely

15 Kind of bed

17 The end, in Revelation

18 Does

19 Lovely young woman

20 Throws a party for

21 A goner

22 "The Nazarene" writer

23 One in a romper room

25 Full assemblies

31 TD's, e.g.

34 Magnon

35 Home of Hickam Air Force Base

36 Leap

37 Old sportscaster: Win and others

38 Dense fog

41 Karen of "Little House on the Prairie"

42 More wary

43 Slip up

45 Darts

46 Non-P.C. suffix

51 Longfellow's "The Belfry"

52 Assignment

53 Mideast dry measure

54 — days gone by: Riley

55 The Beatles' "Let —"

57 It can make a molehill out of a mountain

58 Feedback: noun

59 Skiing path

Solution to Puzzle of Feb. 18

ADMAN BLAH TRAM
BEATY LALO AUTO
LEVOUWANTOKNOW
STOP ASA STEINS
AXE ETHANE
HOBBOY FLUE
ABAND BERP GIZE
THEALUOFOWNE
MADE GILLY LICE
BONS NOTES
CANNING DAY
NIRVITY EAT ALEX
SIRVYBORROWSOME
ACAT LENT HEMIN
DENY NASH OCALA

Is the Internet a threat
or a boon to telephone
companies?

Don't miss the sixth in a series of sponsored pages in the IHT on electronic business.

February 25

BUSINESS TO e-BUSINESS:
TELECOMMUNICATIONS

If you missed the previous page, "Business to e-Business: Entrepreneur Communities," fax or e-mail your mailing address for a free reprint. Fax: +33 1 41 43 92 13 / E-Mail: supplements@iht.com

Herb's Tribune
THE WORLD'S DAILY NEWSPAPER

MIDEAST

At the Pentagon, Infighting Over Iraq Role of the B-2

By John Mintz
Washington Post Service

WASHINGTON — The B-2 bomber, at \$2 billion a copy, is the most expensive airplane ever built and perhaps history's most intimidating combat aircraft. It is ready to fly in any air war against Iraq, but the U.S. military has revealed no plans for that. And therein lies a mystery that may reveal as much about internal Pentagon politics and budgetary tactics as military strategy, military and defense industry officials say.

Pentagon officials who favor the B-2's deployment in the Gulf say some military officers are afraid that if the airplane does well, its success could reopen discussion about building more than the 21 B-2s on order, threatening billions destined for the air force's prized project of today, the F-22 fighter. A poor performance, on the other hand, could be a humiliating and costly failure.

"If it does badly, and it crashes, you'd have a \$2 billion smoking hole in the desert, which could be a bit embarrassing," an air force official said.

"Or if it does beautifully, there would be tremendous pressure to build more B-2s, and that undoubtedly would in-

Some Fear Bomber Will Work Too Well, Others See '\$2 Billion Hole in the Desert'

fringe on the budgets of other air force airplanes that we want to build."

The air force officially denies that such considerations have a role in the decision whether to deploy the colossal black, bat-winged aircraft. The service's formal position is that "the B-2 has been declared operational and is available to the war fighters should it be called upon," said Captain Leo Devine, a spokesman for the service.

But inside the air force and the Pentagon where war plans are drawn, a bitter debate is raging about the B-2's deployment, military officials said.

Its backers say the B-2 is a perfect weapon for an air war in which avoiding risks to pilots is a top concern, since the "stealthy" B-2 evades radar and stands little chance of being shot down. It can carry 16 2,000-pound bombs, or eight 5,000-pound bombs that can be used for "bunker-busting" of underground compounds.

Moreover, because any B-2 attack probably would involve a 36-hour

round-trip flight from its home at Whiteman Air Force Base in Missouri, its use would not impose a burden on Gulf allies skittish about allowing U.S. jets to carry out bombing raids that might inflame other Arab countries.

But the B-2 continues to inspire more skepticism than awe among other Pentagon officials.

Military planners are highly risk-averse, and vastly prefer to choose for dangerous missions aircraft that have been proved in war, military officials said. Nine years after its inaugural flight, the B-2 has never flown in combat. There are also some minor lingering questions about the reliability of stealth characteristics of the B-2's most recently upgraded version.

Two years ago the B-2's radar-absorbing skin peeled back in the rain, but officials say that problem has been repaired in the new model.

The B-2's proponents inside and outside the air force cite a number of deeper reasons why they believe the

plane is not in the U.S. order of battle. They said that its success would impede financing for other projects, chiefly the \$70 billion F-22 fighter program, the air force's top priority.

"The B-2 threatens the F-22 crown jewel," said one pro-B-2 air force targeting expert. "There are folks at senior levels in the air force who are pushing for the B-2," including leaders of the service's Air Combat Command and air war planners at the U.S. Central Command, which is in charge of the attack, an air force general said.

Asked if the B-2's \$2 billion price makes it too risky to use, he replied, "We bought the thing. If you're not going to risk using them, send them to Davis-Monthan and make sure nothing ever happens to them." Davis-Monthan is an air force base in Arizona, where decommissioned warplanes are stored.

"The B-2 is absolutely perfect for this mission," added another air force general, who said he believes senior Defense Department and National Security Council officials have argued against its use because "if you demonstrate its great capabilities, it would reopen their decision to terminate the buy" at 21 aircraft. Eighteen have been built.

IRAQ: Annan Encouraged

Continued from Page 1

the message coming from Baghdad that they are prepared to engage me constructively to find a solution."

He offered no details beyond saying that "obviously this is not going to be an easy mission."

Mr. Annan said that he would not be leaving for Iraq if he did not hope that his mission would succeed. "I would have saved the organization some money" otherwise, the secretary-general said.

He expressed satisfaction that what he termed the unanimity of the Security Council had been re-established. That was a reference to the consensus that was reached Tuesday among the five permanent members on oral guidelines for Mr. Annan to take to his meetings with the Iraqis.

The United States and Britain have insisted that no limits be put on the weapons inspectors of the UN Special Commission, known as Unscm, and that their authority not be diluted or limited.

After four meetings in less than a week, China, France and Russia accepted this in some form.

Iraq, which closed eight so-called presidential sites to inspectors as symbols of its national sovereignty, earlier floated a compromise through the Russians that the compounds could be searched once during a limited 60-day period, provided that the searches were carried out not by the Unscm teams, but by diplomats and experts who would report directly to the secretary-general. Washington and London rejected this proposal as a ploy to circumvent the inspectors most familiar with Iraq's clandestine programs to develop prohibited chemical and biological weapons.

The formula that Mr. Annan is taking to Baghdad would allow the diplomats and other experts to go along, but only as observers, when Unscm inspectors enter the presidential residences. The formula also says that such searches will not be curtailed.

The United States made it clear that it would challenge any agreement with Iraq that deviated from the principles of unrestricted access to all sites, including the presidential sites, or that compromised the integrity of the UN inspection program.

"I did not ask for a mandate," Mr. Annan said. "Right from the beginning, I was acting on the basis of the secretary-general's authority and my desire to use my good offices."

But an American official said the collective advice given to Mr. Annan was consistent with the Clinton administration's position that Baghdad must comply with all its promises made in the Security Council resolution that ended the Gulf War in 1991.

The British representative, John Weston, said that he was very pleased with consensus reached by the five permanent members on what to tell Mr. Annan.

"We know that he is a very senior person in this organization who was elected by us all," Mr. Weston said, "and we have great confidence in his judgment."

Discussing the proposal to allow observers to accompany the UN inspectors, a British official said: "So long as Unscm gets in, we don't mind a few men in suits going along for the ride."

The United States and Britain decided that they would not object to Mr. Annan's going to Baghdad as long as he recognizes that there are "red lines" that Washington and London are unwilling to cross.

One is that no limits can be set on the duration or scope of the inspections, which Baghdad has tried to restrict.

The American and British position has been that, far from becoming more flexible, as Mr. Annan has urged, the two powers are prepared to undertake military strikes unless Iraq backs down and that it is incumbent on the countries that oppose military action to come up with a workable alternative.

when Iraq is alleged to have used chemical weapons — including mustard gas and nerve agents — during its war against Iran or on its own Kurdish minority.

The report said Iraq had an active missile program before the 1991 Gulf War, including its purchase of 819 Scud missiles from Russia and its efforts to modify the missile's warhead and extend its range.

"Discrepancies in Iraqi accounting suggest that Baghdad could still have a small force of Scud-type missiles and an undetermined number of warheads and launchers," it added.

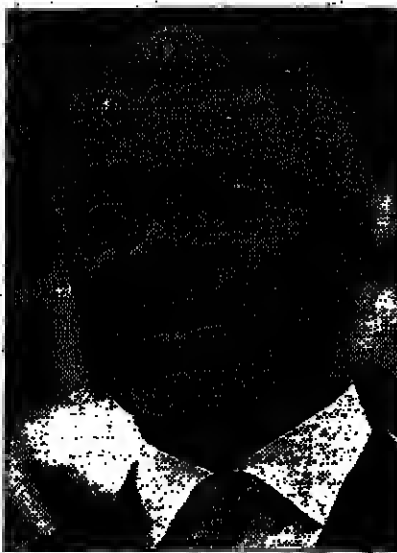
What little political opposition there is comes mainly from "old Labor" members of Parliament who stand by pacifist principles that the "New Labor" party of Mr. Blair has largely set aside. Some of them had their say in the House of Commons debate Tuesday.

"Every member of Parliament tonight who votes for the government motion will be consciously and deliberately accepting responsibility for the deaths of innocent people if the war begins, as I fear it will," said Tony Benn, a Labor member.

Religious leaders have voiced some of the most pointed opposition. Ten bishops of the Church of England, writing to the Independent newspaper last week, expressed fear of "large-scale civilian casualties" and new distrust of the West in the Muslim world if airstrikes were launched against Iraq.

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Kofi Annan discussing in New York his hopes for his mission to Baghdad.

CNN Coproduction With White House Riles Competitors

Washington Post Service

WASHINGTON — Has it come to this: American preparations for war as a network production?

That is the view of some of CNN's competitors as the cable network staged a town meeting Wednesday with Secretary of State Madeleine Albright, Defense Secretary William Cohen and the national security adviser, Samuel Berger. It was a CNN exclusive from start to finish; no other national television outlet could broadcast from the Ohio State University gathering.

Moreover, television stations were limited to two minutes of excerpts from the 90-minute forum, and any highlights had to bear the CNN logo.

"It certainly reeks of favoritism," said Kim Hume, Washington bureau chief of Fox News. "It's just odd that the government would go to CNN and ask them to broadcast a town meeting, because CNN has limited reach. It seems they look at CNN as an adjunct of the Voice of America or something."

"I'd think in an extraordinary situation like this that they would want as broad an audience as possible," said Bruce Drake, managing editor for news at National Public Radio. "To come to some sort of exclusive arrangement with one network boggles my mind. Given the degree of magnitude here — preparing the nation for military action and the possibility of lives lost — you don't play these kind of games."

Asked about the CNN arrangement, the White House spokesman, Michael McCurry, said that, as on previous occasions, the administration "worked with one network to figure out how we could get as large an audience, international and domestic, for this particular event." Another factor, he said, is that President Saddam Hussein of Iraq and his aides are known to watch CNN.

Frank Sesno, CNN's Washington bureau chief, said a White House official sounded him out last week about having the network host a town meeting "in the heartland" about the Iraqi situation. He said the administration suggested holding it at Ohio State.

The session featured both audience questions and viewer calls for the three members of the U.S. administration's national security team, who were attempting to make a public case for possible U.S. air strikes against Baghdad in the continuing standoff over restrictions on United Nations weapons inspectors.

"Showdown with Iraq: An International Town Meeting," which aired on CNN at 2 P.M. eastern standard time (1900 GMT) on Wednesday, was anchored by Bernard Shaw and Judy Woodruff. The special was shown in CNN markets around the world.

"This is our event, and we're sorry that others don't like it, but that's the way it goes," Mr. Sesno said.

OHIO: Officials Heckled

Continued from Page 1

flict — an option repeatedly rejected by Mr. Cohen during the broadcast.

Hecklers interrupted the top officials several times, at one point stopping Mr. Albright from talking for several minutes. The Associated Press reported from Columbus, Ohio.

"Could you please tell these people, I'd be very happy to talk with them when this is over," Mrs. Albright said.

To illustrate President Saddam Hussein's history of using weapons of mass destruction, Mr. Cohen showed the audience a picture of an Iraqi woman holding a dead child in her arms. He said they had been gassed by Mr. Saddam's forces. He described the picture as "Madonna and child, Saddam Hussein-style."

Mr. Berger said the United States was seeking to protect the world's long-term interests in limiting the spread of weapons of mass destruction.

"In the 21st century, the community of nations may see more and more of this very kind of threat that Iraq poses now, the rogue state," Mr. Berger said, adding: "If we fail to respond, Saddam and all those who follow will believe that they can threaten the security of a vital region with impunity. But if we act now as one, we will send a clear message to would-be tyrants and terrorists."

Israelis Display Doubts Over Punishing Saddam

Many Fear U.S. Might Emerge Diminished

By Lee Hockstader
Washington Post Service

JERUSALEM — President Saddam Hussein of Iraq, having ruined 39 Scud missiles onto this country during the Gulf War in 1991, takes pride of place among Israel's most despised enemies.

Yet, for some Israelis, including those who have served in top ranks in the country's military and intelligence establishments, the conviction that Mr. Saddam should be punished harshly for transgressions past and present is tempered by nagging doubts.

Few believe U.S. air raids alone would do lasting damage to Iraq's ability and perhaps even to its apparent determination to develop horrifying weapons. Almost no one thinks Mr. Saddam's grip on power would be pried loose by American bombs and missiles alone. And in interviews over the last few days, a number of knowledgeable Israelis, including long-ho supporters of tough American action, acknowledged that it is far from guaranteed that Washington would emerge perceived as the winner from such a conflict.

In a country that itself has attacked Iraq, and in which there is near unanimity in the view that President George Bush erred by not sending U.S. troops into Baghdad in 1991, the surprise is not that there is substantial support for fresh American raids. It is the extent to which Israelis express doubt that they would do any good and fear that they could make matters worse in the Middle East.

"Bombing could be counterproductive," said a high-ranking Israeli government strategist, speaking on condition of anonymity.

"If you look back at Arab history, most of the military defeats suffered by Arabs were turned into political victories," he said, adding that the fact Mr. Saddam "withstood the 1991 attack and could still swim in the waters of the Enphrates proves that he withstood the power of the only superpower without any hacking from any other source — that was his victory. And the fact that his people are suffering doesn't mean a thing to him. His survival, together with an Arab political coalition against the United States, might not bode well for the stability of the Middle East."

Shlomo Gazit, a retired general who once ran military intelligence, said he doubted U.S. intelligence on Iraq's weapons-making facilities was wholly reliable and up-to-date nor that air attacks would eliminate Mr. Saddam's arsenal and capacity to make new armaments. He said attacking Iraq to punish Mr. Saddam might be worth it, but only if Washington has the stomach for a sustained, devastating — and televised — air campaign.

"I'm very doubtful about your ability to do it," Mr. Gazit said. "It requires a decision that I'm doubtful Washington will take: Are you really prepared to inflict casualties on human beings to try to destroy several divisions of the Republican Guard — and this can be done

— by American air power? My assumption is that the answer is no. Public opinion will not allow you, and the political system will not allow you."

He added: "The No. 1 question is, Will the U.S. come out of this confrontation as the winning side or the losing side? If it is the losing side it will be very bad for the peace process and very bad for the role the U.S. plays as an honest broker and mediator in the peace process. If it wins, then it can really enhance the peace process. But '91 is not '98, and overall conditions and considerations and circumstances are so different that you can't in any way rely on" winning.

What is striking is that Israelis who argue for an American attack, and that seems to be the majority view, do so only in negative terms.

Certainly, even the most devastating air raids might accomplish little, they say, and could even make matters worse in the region. But to back off and do nothing would be a disaster, signaling American impotence in the Middle East, undercutting Washington's role as mediator of the Israeli-Palestinian peace process and granting carte blanche to Israel's enemies in the region. That, they say, would be bad for Israel.

"Frankly, if you don't get to Saddam and hold his throat and point a gun at his head," the chances he will give up his weapons of mass destruction "are very slim," said an Israeli who declined to be identified. But if the Americans "back off and decide not to act, the feeling in the Arab world is going to be that 'what we thought for quite a while about the American posture in the Middle East is true. The Americans are weak. They might be a superpower, but they are weak.'"

In Israel, the focus in the media and public debate has been on whether a U.S. attack on Iraq would prompt Mr. Saddam to launch retaliatory strikes against Israel, as he did with the Scud missiles in 1991. Although Israeli officials regard the probability of such an attack as extremely low, they have found themselves discussing it endlessly to soothe a jittery public.

That spotlight on the immediate security risk to Israel has obscured the broader implications of a U.S. attack on



Defense Minister Sheikh Ali al-Sabah as Salim al-Sabah of Kuwait among Kuwaiti soldiers during a visit Wednesday to the border with Iraq.

Iraq, which have gone largely unmarked in public.

Already the crisis has contributed to the stalemate in the peace process by distracting official Washington's attention. It also has sparked pro-Iraqi demonstrations among Palestinians in the Israeli-occupied West Bank, which in turn have antagonized Jews.

There is speculation that a new conflict with Iraq could prompt Israel to crack down on Palestinians' freedom of movement in the occupied territories and perhaps to impose a curfew. That, in turn, could push Palestinian frustrations with the frozen peace process to the breaking point.

On the other hand, some Israeli strategists say a powerful U.S. attack could help the cause of peace in the Middle East by leaving Iraq weakened,

Palestinians cowed and a more confident and secure Israel disposed to make fresh concessions for Middle East peace.

But several high-ranking former military officials said they are worried that Israel's eagerness to see punishment meted out to an implacable foe is clouding analysis of the probable outcome of a new Gulf War.

Retired General Ephraim Seoh, a Labor Party legislator, said any attack on Iraq that leaves Mr. Saddam in power is a waste of time and could underline fading American influence in the Middle East. Already, he said, Washington's attempts to revive the stalled peace process have come to naught.

"If he stays in power, we must prepare for the next surprise — a year from now, five years from now, 10 years from now," Mr. Seoh said.

White House Says Iraq Still Has a Force of Scud-Type Missiles

Reuters

WASHINGTON — Iraq has Scud-type missiles and a small stockpile of chemical and biological weapons, with the capability to make more quickly, the White House said in a document based on U.S. intelligence data.

The 17-page document, which had no markings to show when prepared it, was released Tuesday, shortly after President Bill Clinton warned Iraq to permit inspections of suspected sites of weapons of mass destruction or face a military strike.

"Enough production components and

data remain hidden and enough expertise has been retained or developed to enable Iraq to resume development and production" of weapons of mass destruction, the document said, citing the views of unidentified "world" experts.

"They believe Iraq maintains a small force of Scud-type missiles, a small stockpile of chemical and biological munitions and the capability to quickly resurrect biological and chemical weapons production," the paper added.

A U.S. official declined to say who wrote the report, but said it was based on U.S. intelligence data.

It said Iraq had withheld information on its biological weapons program, which included making 22,457 gallons (85,337 liters) of anthrax, 100,396 gallons of botulinum toxin and 591 gallons of aflatoxin.

The document said that the biological weapons came to light after the 1995 defection of Hussein Kamel, President Saddam Hussein's son-in-law and allegedly a key player in Iraq's weapons programs. He was put to death on his return to Iraq.

The document lists 10 occasions between August 1983 and March 1988

when Iraq is alleged to have used chemical weapons — including mustard gas and nerve agents — during its war against Iran or on its own Kurdish minority.

The report said Iraq had an active missile program before the 1991 Gulf War, including its purchase of 819 Scud missiles from Russia and its efforts to modify the missile's warhead and extend its range.

"Discrepancies in Iraqi accounting suggest that Baghdad could still have a small force of Scud-type missiles and an undetermined number of warheads and launchers," it added.

What little political opposition there is comes mainly from "old Labor" members of Parliament who stand by pacifist principles that the "New Labor" party of Mr. Blair has largely set aside. Some of them had their say in the House of Commons debate Tuesday.

Religious leaders have voiced some of the most pointed opposition. Ten bishops of the Church of England, writing to the Independent newspaper last week, expressed fear of "large-scale civilian casualties" and new distrust of the West in the Muslim world if airstrikes were launched against Iraq.

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"Every member of Parliament tonight who votes for the government motion will be consciously and deliberately accepting responsibility for the deaths of innocent people if the war begins, as I fear it will," said Tony Benn, a Labor member.

Blair Gets Support for Policy on Iraq as Parliament Backs Strikes

By John Burgess
Washington Post Service

LONDON — Ten Anglican bishops have warned of civilian deaths if bombs fall on Iraq, and about 100 demonstrators have staged a sit-down protest on a London street in concern over the use of military force.

British newspapers have published questioning editorials, while pacifist politicians have made critical comments.

But aside from these scattered expressions of opposition, Prime Minister Tony Blair has met little resistance as he has put Britain squarely on course for an attack on Iraq if its leader, Saddam Hussein, does not back down and grant United Nations inspectors access to suspected weapons production sites. In cooperation with the United States, Britain has moved warplanes and an aircraft carrier to the Gulf region in readiness to strike if the order comes.

On Tuesday night, Mr. Blair got an official mandate to proceed. By a vote of 493 to 25, the House of Commons approved a resolution authorizing the government to "use all necessary means" to resolve the crisis over Iraq's weapons program.

"Letting Saddam off, doing nothing, hacking

off, settling for some convenient fudge in the face of Saddam's defiance — these are options too dangerous to contemplate," Defense Secretary George Robertson told the House during a seven-hour debate on Iraq policy that preceded the vote.

In times like this, British gut reaction is to support the government, said Robert Worcester, chairman of Market and Opinion Research International, a polling organization. He called this tendency "a holdover from the 19th-century imperial destiny" when Britain put troops into countless conflicts small and large.

In recent times, British armed forces have reinforced this backing by besting the enemy in their foreign missions, said Timothy Garden, a retired Royal Air Force marshal who now heads the Royal Institute of International Affairs, a research center in London. "We don't have a Vietnam," he said.

Still, there is no great enthusiasm here for taking on Mr. Saddam. Although a few tabloid newspapers have sounded a jingoistic chord — "Take Out Saddam" read a front-page headline in the Sun, reporting a Gulf War veteran's call to assassinate the Iraqi president — the public seems more resigned than eager.

According to a survey published last week by the Guardian newspaper and the polling organization ICM, 56 percent of the British public would support military action against Iraq, while 32 percent would oppose it. The rest were undecided.

In contrast, the Gulf War and the 1982 Falklands War won approval by up to 80 percent of the public. In many analysts, the reason is that the goals were clearer and more popular. The Gulf War was launched to liberate Kuwait, the Falklands conflict to take back British islands seized by Argentina.

But since the start of the crisis over Iraq's chemical, biological and nuclear weapons programs, Britain has joined the United States wholeheartedly. Mr. Blair dispatched to the Gulf the Invincible, an aircraft carrier with 13 Sea Harrier jump-jets aboard. Eight Tomahawk fighter-bombers have flown to a base in Kuwait. In addition, Britain has two squadrons of Tornados in Saudi Arabia.

Two weeks ago, British officials called press briefings to outline the size of Iraq's illegal arsenal. On Tuesday, the Defense Ministry released diagrams of the "presidential sites" that Iraq has declared off-limits to UN weapons inspectors, showing that one is so large it could overlay much of London. Otherwise,

the government has relied largely on media coverage of House of Commons speeches and of British forces in the Gulf region to build its case with the public.

The Times of London contended Tuesday that the public needs clear talk on potential dangers. "Outside Iraq, public opinion has not been readied for the risk, however small, of Iraqi retaliation with toxins or nerve gas so potent that tiny quantities could kill thousands," it said.

Religious leaders have voiced some of the most pointed opposition. Ten bishops of the Church of England, writing to the Independent newspaper last week, expressed fear of "large-scale civilian casualties" and new distrust of the West in the Muslim world if airstrikes were launched against Iraq.

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A Step Behind
Is He Devil or
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ASIA/PACIFIC

A Step Behind Suharto, Is He Devil or Angel?

Whichever, Habibie Arouses Intense Feelings

By Keith Richburg
Washington Post Service

JAKARTA — B. J. Habibie is a visionary, an ardent economic nationalist and Muslim intellectual, inspiring millions with his grand plan to transform Indonesia into a leader of industry and high technology for the next century.

B. J. Habibie is a dangerous eccentric who uses his proximity to an aging president to push his bizarre economic theories and a raft of grandiose but ill-conceived plans that are a drain on the national treasury.

Those two opposing views may both sound extreme, but they neatly summarize the intense reaction that Mr. Habibie's name elicits from his many supporters in Indonesia and from his equally sizable number of detractors.

"Habibie is a very divisive presence, not only in society, but also within the military," said an Asian diplomat with long experience here. For years, the critics have been able to dismiss Mr. Habibie, Indonesia's research and technology minister, as a bit of an oddball and a maverick, although an influential one with the ear of President Suharto.

But now Mr. Habibie, 61, stands on the verge of becoming Indonesia's next vice president and the country's next

president if Mr. Suharto, at 76, is unable to complete his next five-year term.

On Wednesday, Mr. Habibie moved a step closer to the vice presidential post that eluded him in 1993. Indonesia's powerful armed forces officially threw their support behind Mr. Habibie for vice president when the outgoing commander, General Feisal Tanjung, praised him as "the best figure to accompany Suharto in carrying out the duties of the nation and the state for the next five years."

The armed forces' support was considered crucial, because they enjoy a constitutionally enshrined role in politics and are considered the country's most cohesive national institution and the final arbiter of power. Mr. Habibie, despite his many qualifications in academics, private business and various government posts, has never worn a uniform — leaving a large question mark over his level of support in the ranks.

A Western diplomat here said the main unspoken rule in Indonesia was that anyone in a top leadership position, meaning president or vice president, had to meet three criteria: be Muslim, from the military and from Java, the most populous of the islands in the Indonesian archipelago. Mr. Habibie, he noted, fulfills two out of three.



B.J. Habibie, left, with President Suharto of Indonesia.

General Feisal, in endorsing Mr. Habibie, said his lack of a military background was not a factor.

"I think Minister Habibie is a shoo-in now," said Eugene Galbraith, head of research in Hong Kong for ABN AMRO Asia Ltd., who spent 16 years living in Indonesia and is considered an expert on the country. "It's a terrible decision. He's kind of a proven spend-thrift. He's someone who doesn't have very good political instincts in terms of forging coalitions and building a consensus."

Other disagree. "I think he's been

given an unfair reading," said Dewi Fortuna Anwar, a political scientist with Indonesia's Institute of Social Sciences and an admirer of Habibie. "I think a lot of the younger generation will support him because of his vision. He does have the vision, and I think he does excite a lot of people in that way."

Speaking of Mr. Habibie's grand plans for an Indonesian aircraft and shipbuilding industry, Miss Anwar said, "I'm Indonesian and I don't want people to say, 'Oh, you export cheap textiles and shoes.' You can have a vision."

One of Mr. Habibie's more controversial moves was to use his influence with Mr. Suharto to force the military to purchase some components from the "strategic industries" that Mr. Habibie controls. That perceived interference in the armed forces' procurement process was believed to have earned him the permanent antagonism of key generals.

In addition, in 1990 Mr. Suharto placed him at the head of a new grouping called the Indonesian Association of Muslim Intellectuals. The group has given the minister a broad political base of support for his often-unconventional economic theories.

"There's an ideological element to it," said an Asian diplomat, explaining the core of Mr. Habibie's support and the unlikely and sometimes disparate coalition of Islamicists and urban intellectuals who back him.

He said that many indigenous Indonesians believe in special government breaks for their businesses, to counter the perceived special privileges enjoyed by the country's ethnic Chinese minority, who control 70 percent of private wealth here. "They want to put the Chinese in their place," the diplomat said.

In 2 Petitions, Dissidents Ask More Liberties From Beijing

Compiled by Our Staff From Dispatches

BEIJING — Chinese dissidents have petitioned the national legislature to institute democratic reforms, investigate the 1989 crackdown on protests and allow independent trade unions, human rights groups said Wednesday.

Seven dissidents in the eastern province of Zhejiang sent a letter to the National People's Congress on Tuesday, seeking guarantees for freedoms of speech and assembly, the Information Center of Human Rights and Democratic Movement in China said.

The letter added that Prime Minister Li Peng, who is finishing his second and last term in office, should not be named the congress chairman at the legislature's annual session next month because of his support for the military attack on protesters around Tiananmen Square in 1989.

Mr. Li's "hands were stained with the fresh blood of heroes," said the appeal. A copy was made public by the Information Center, which is based in Hong Kong. The petition also urged that a committee investigate the crackdown.

The seven signers — mostly workers and intellectuals from Hangzhou, southwest of Shanghai — have served prison sentences for their involvement in the protest nine years ago and other dissident activities.

In another petition, Wang Hongxue, an activist from Anhui Province, urged legislators to pass laws to protect civil liberties, wipe out corruption and make the government more accountable to the people, said Human Rights in China, an organization in New York.

The 38-year-old hospital worker also sought the right to establish independent trade unions, as stipulated in a United Nations treaty on human rights that China signed last year.

Parliament is scheduled to open its annual session on March 5 and is expected to elect Mr. Li to replace Qiao Shi as head of the lawmaking body.

The petition also urged the authorities to show tolerance by allowing exiled dissidents to return home, lifting a ban on new political parties and newspapers and guaranteeing freedom of speech and press freedom.

The authorities have forced a growing number of dissidents into exile since last year in the hope that the activists would fade away. (AP, Reuters)

BRIEFLY

Ranariddh Plans Return to Cambodia

PHNOM PENH — Prince Norodom Ranariddh, the deposed first prime minister, will return to Cambodia next month to help his political party prepare for elections, the prince's personal representative said Wednesday.

Prince Ranariddh, who is now in exile, has been prevented from returning to Cambodia for a variety of reasons, including a wish to pursue diplomatic channels outside the country, said Lu Layseng, the prince's aide.

Hun Sen deposed Prince Ranariddh as his co-prime minister following two days of fierce fighting in early July. Mr. Hun Sen voiced support Tuesday for a Japanese initiative that has received wide international backing to allow for Prince Ranariddh's return.

The plan calls for Prince Ranariddh to cut all ties with the Khmer Rouge guerrilla movement; immediate implementation of a ceasefire between battling forces in northwestern Cambodia; a pardon if the prince is convicted of the charges against him, and a guarantee for his safe return to participate in the elections. (AP)

Manila Defections

MANILA — At least eight congressmen and two governors have defected from the governing party as it faces a national election campaign, but its presidential candidate said Wednesday that new recruits would make up for the losses.

But some analysts expect further defections from the Lakas-NUCD party because its presidential candidate, the House speaker Jose de Venecia, trails the opposition candidate, Joseph Estrada, in popularity polls. (AP)

India State Re-Votes

GUWAHATI, India — India's northeastern state of Assam, hit by separatist violence in national elections this week, began repeat polling in parts of the province on Wednesday.

Election officials said the voting in nine polling stations spread across three parliamentary constituencies began smoothly. (Reuters)

Embassies in Jakarta Warn Nationals

Agence France-Press

JAKARTA — Embassies in Jakarta warned their nationals Wednesday to be on guard against unrest in Indonesia.

The U.S. Embassy offered the strongest advice to its citizens, cautioning them against intercity travel by road and urging them to register with consular offices.

"In light of an increasing pattern of security threats and disturbances affecting intercity road travel in West Java, which could spread to other areas of the country, American citizens may wish to exercise caution and seek advice before undertaking intercity road travel in Indonesia," an embassy statement said.

"In addition, continuing riots and looting in some parts of the country prompt the reminder that due to the possibility of increased tension and criminal activity arising from economic uncertainty in Indonesia, American citizens should exercise prudence and

common sense and avoid demonstrations and other situations that could turn violent."

More than 25 towns and cities have been rocked by rioting over soaring prices and shortages of basic goods in the last two weeks, with the ethnic Chinese minority bearing the brunt of the mob rage.

Vehicles on highways have also reportedly been attacked and at least five persons have been killed, all shot and killed by security forces. Much of the violence has been concentrated in East Java Province, which surrounds Jakarta.

Australian officials warned their countrymen in Indonesia to be on guard. Australia's ambassador to Indonesia, John McCarthy, warned Australians to take care, particularly traveling outside Jakarta and the resort island of Bali.

A British Embassy official said Britons were urged to register their presence in Indonesia and to seek advice

before traveling.

The French Embassy said that because of "developments," particularly in Java, Sulawesi, Lombok, Flores and Sumatra islands, it urged French nationals to be cautious when traveling in the provinces.

Similar warnings were believed issued by several other European embassies. Singaporeans have been told to avoid certain areas. The Singaporeans, along with ethnic Chinese from other states and ethnic groups who could appear Chinese, such as Koreans, have expressed concern they could be mistaken by mobs for local Chinese.

On Tuesday, China said it was "very concerned" for the safety of its citizens, including Hong Kong residents, in the growing violence.

Most embassies are understood to have reviewed evacuation procedures, although diplomats are reluctant to discuss the subject openly.

CNN Coproduction With White House Riles Competition

WASHINGTON — Has any American program been as successful as CNN's coproduction with the White House? That is the view of one CNN competitor as the cable work began a town meeting Tuesday with Secretary of State Madeleine Albright, Defense Secretary William Cohen and National Security Adviser Samuel Berger. It was a CNN exclusive; other networks could not broadcast the Oval Office session.

More than 100 million Americans were expected to watch the event, which was also being broadcast on CNN's pay-per-view service.

Other networks, including ABC, CBS, and NBC, were expected to lose viewers to CNN's exclusive coverage. Some analysts predicted that CNN's ratings would be the highest since the network's launch in 1980.

The event was part of a series of town hall meetings organized by the White House to engage the public on issues of national security. The first meeting was held in January with President Clinton and Vice President Al Gore.

OHIO: Officials Heckled

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Mr. Clinton during the broadcast. He was interrupted by the seven-minute, one-on-one press conference. The Associated Press reported that the heckling was "loud and persistent."

Clinton was asked to talk with the crowd. Mrs. Albright said she was "sorry" for using a microphone. Mr. Clinton said he was "sorry" for not being able to hear the crowd.

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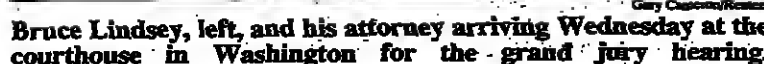
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Continued from Page 1

Ms. Tripp, who had been an executive assistant to Mr. Lindsey for a short time, reportedly wanted his advice after reporters asked her about an episode involving a White House volunteer, Kathleen Willey.

Prosecutors also want to ask Mr. Lindsey about a three-page memo of "talking points" that Mrs. Lewinsky gave to Ms. Tripp on Jan. 14, apparently to prepare her for a deposition in the Jones case by coaching her to offer a new interpretation of the incident with Mrs. Willey. The memo urged Ms. Tripp to say that she now found "it completely plausible that she herself smeared

Lucianne Goldberg, a New York book agent, told an interviewer Tuesday that Ms. Tripp became concerned in December that the tapes



Meanwhile, Mr. McCurry, the White House spokesman, has tried

Continued from Page 1

Mr. Miyagawa said party officials would probably resort to old-line tactics such as artificially priming the stock

further crippling decision-making. Japan's political system has historically resulted in weak prime ministers and strong bureaucrats. It preven-

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Kaunda Is Notified of Charge

Earlier, the state prosecutor, John Katongo, told the magistrates court that he wanted the charge fully explained to Mr. Kaunda. He is alleged to have committed "misprision of treason." Misprision means the knowledge of a planned crime and the failure to disclose it. (AFP)

23 Massacred in Algerian Town

No one claimed responsibility for the attacks, but such incidents are usually blamed on the Armed Islamic Group, which is seeking to overthrow the military-backed government. (AP)

2 Provinces Oppose Quebec Bid

The historic case was initiated by the federal government, which says it would be willing to consider independence for Quebec, but only after a fair, clear-cut vote and after negotiations involving all of Canada.

Mexican Centrist Party Created

Mr. Camacho called for a united front among the country's often fractious opposition as the only way to topple the long-ruling Institutional Revolutionary Party, in power since 1929.

"The day has arrived to prepare for a historic change," Mr. Camacho said. "If we do not, we risk a new tragic period of decay of our government." (Reuters)

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EUROPE

Metallurgists Explore New Theory About the Titanic's Demise: Weak Rivets

By Michael E. Ruane
Washington Post Service

WASHINGTON — Tim Foecke was hunched over his microscope one day last autumn, poring over a rusted hunk of iron that had been sliced down the middle to reveal its silver-colored core and the pattern of its internal structure.

It was an antique rivet, made of Scottish iron and pounded, along with 3 million other rivets, into the White Star Line's famous hull No. 401 in Belfast's Harland & Wolff shipyard in 1910.

As Mr. Foecke studied the patterns of slag and streaking through the metal, he saw that near one end, where the rivet head was gone, the streaks changed direction sharply — a sure sign of structural weakness. "Wow," he murmured to himself. Hull 401 had been the Titanic.

Mr. Foecke's discovery in September, in his tiny laboratory at the federal government's National Institute of Standards and Technology in Gaithersburg, Maryland, substantially bolstered a chilling new theory about the great ship's demise: that the vessel, the technical wonder of its day, may have had a fatal weakness in its lowly rivets.

The theory is that the wrought-iron rivets, born in the steelworks of the now-defunct D. Colvilles and Co., outside Glasgow, were structurally weak from unusual patterns and excessive amounts of the by-product slag.

And when the 46,000-ton RMS Titanic hit the 300,000-ton iceberg off the coast of Newfoundland the night of April 14, 1912, the impact did not slice a 300-foot gash in its side but, rather, popped the rivets, "unzipping" seams in the hull plates in six places. The total area open to the sea, experts now believe, may have been no bigger than a closet door.

It is the latest concept to emerge as scientists conduct a kind of continuing mechanical autopsy of the Titanic, in the wake of its discovery in 1985 in 12,000 feet (3,650 meters) of water by Robert Ballard, an oceanographer.

Working with artifacts recovered from the ocean floor, videographer, photographs and special underwater imaging, Mr. Foecke and a host of metallurgists, marine architects and other experts have been seeking to piece together the exact details of the catastrophe.

A student of history, as well as metallurgy, Mr. Foecke has become fascinated with the mystery

of the Titanic's sinking. "It's exciting," he said. "This has got to be one of the highest-profile metallurgical failure analyses that there are."

And he now believes that the "microstructure" of the rivets could be a key to the calamity.

But he and others stress that much remains unknown. "I'm not married to any particular theory," he said, adding that he has examined only a few of the 3 million hull rivets.

As for the ultimate cause of the sinking, George Tulloch, president of RMS Titanic Inc., the company that owns salvage rights to the ship, cautioned: "I'm not sure it's fair to take the iceberg off the block as the guilty party — or the people that hit it."

When it was completed April 2, 1912, the RMS (Royal Mail Steamship) Titanic was the largest moving object made by man. It was the size of an 11-story building, with a 101-ton rudder, and would carry 2,200 people — 1,500 of them doomed — on its maiden voyage nine days later.

Although it was considered a model of safety, after it struck the iceberg, it filled rapidly with 34,000 tons of water and sank in less than three hours, coming to rest in three large pieces about 2.5 miles (4 kilometers) beneath the surface.

Since the discovery of the wreck, there have been eight expeditions and 140 descents to the site, yielding about 5,000 artifacts — among them hull plates and rivets that were turned over to scientists for analysis. Another expedition is set for this summer.

Initial scrutiny turned up what appeared to be a weakness in the hull plates. Some of the inch-thick steel plates seemed to have properties that made them relatively brittle in cold water. Subsequent analysis, though, suggested that 2,000 steel plates used in the hull varied in quality.

During an expedition to the wreck in the summer of 1996, Paul Manias, head of Polaris Imaging Inc., used a special low-frequency sonar to scan the part of the hull — now buried in 60 feet of bottom mud — damaged by the iceberg.

Contrary to long-held suspicions about a giant gash, Mr. Manias found a series of six lateral openings in the starboard side that seemed to have been made by the Titanic bouncing off the iceberg as it scraped past.

"The position of these openings roughly corresponds to hull-plate boundaries," Mr. Manias said, throwing suspicion on the rivets. The experts studying the ship were intrigued.

"When I went back and analyzed Paul's findings," said William Garzke Jr., a naval architect who heads the Society of Naval Architects and Marine Engineers' Marine Forensics Panel, "I said: Hey, something's up here. We need to look at one other element that we haven't looked at very well, and that's the rivets."

The duty fell to Mr. Foecke, an expert in fracture mechanics, who had been given several rivets for analysis a few months before.

Mr. Foecke said he sliced one of the hull rivets with a diamond-tipped saw, took it to his lab and placed it under a special microscope called an optical metallograph. The metallograph enabled Mr. Foecke to study the pattern of slag streaks running the length of the rivet and to measure the levels of slag.

Wrought iron must have some slag — about 2 percent — to give it strength, he said. "Otherwise, it would be too strong. But too much makes it weak. The Titanic rivet, he found, had a dangerously high slag content of about 9 percent.

In addition, the streaks of slag, which should run lengthwise along the rivet, made a sudden 90-degree turn at one end, another serious flaw weakening the metal.

Sinn Fein Takes Case Before Court

Dublin Judge Hears Plea Against Expulsion Threat

DUBLIN — Sinn Fein, the Irish Republican Army's political wing, turned to a Dublin judge Wednesday in defense of its endangered right to stay in Northern Ireland's peace talks.

The British and Irish governments, which co-sponsor the talks, say Sinn Fein should be expelled temporarily because of their shared view that the IRA was responsible for two murders in Belfast last week.

The governments had intended to expel the party Monday, the first of three days of negotiations scheduled to take place in Dublin Castle.

But Sinn Fein won several adjournments from the chairman of the talks, former U.S. Senator George Mitchell, and has employed some of the Irish Republic's top lawyers to try to block the governments on another front.

Sinn Fein's legal team argued in the Irish High Court that Britain's Northern Ireland secretary, Marjorie Mowlem, had denied the party its constitutional rights.

Ms. Mowlem accepted the assessment of her police chief in the British-ruled province that the IRA was involved in two killings there last week. Under rules for the talks, that would be enough for Sinn Fein to be expelled.

Sinn Fein's lawyer, John McMenamin, stressed that Sinn Fein was participating "in a spirit of good faith" in the talks, which bring together the British and Irish governments and an array of Roman Catholic and Protestant parties from Northern Ireland.

They are trying to reach a political agreement to end three decades of violence, which has killed more than 3,200 people.

The IRA declared a cease-fire last July, winning a seat at the peace talks for Sinn Fein, which shares the gunmen's goal of Irish unity.

High Court Judge Frederick Morris adjourned the hearing until Thursday. Lawyers were serving written notices to Mr. Mitchell, his two deputies, and Ms. Mowlem to appear in court to answer Sinn Fein's complaint. The deputies are retired General John de Chastelain of Canada and former Prime Minister Harri Holkeri of Finland.

Judge Morris said he could not consider an injunction without giving the four "the opportunity of defending themselves."

Notably, Sinn Fein's appeal did not identify the Irish government as a defendant, even though it would have to back Sinn Fein's expulsion as well and has already appointed lawyers to contest the party's allegations.

Before the adjournment, Mr. McMenamin had argued that his Sinn Fein clients had "not at any time demonstrated dishonored the principles of democracy and nonviolence" that Mr. Mitchell requires of the talks' participants.

Among the grounds for Sinn Fein's legal action, he said, was the lack of any real opportunity to cross-examine Northern Ireland's police commander, Ronnie Flanagan, "as to how he formed his opinion" that the IRA killed a drug dealer and a Protestant militant.

The Sinn Fein chairman, Mitchell McLaughlin, who led a delegation into the courtroom, including a founding father of the modern IRA, Joe Cahill, said he was "extremely pleased" with the judge's initial ruling.

In the Dublin Castle talks themselves, Ms. Mowlem dismissed another formal appeal from Sinn Fein to drop the bid to have the party expelled.

Even if Judge Morris were to grant a favorable ruling to Sinn Fein, its shelf life would be short. The Dublin Castle talks were ending Wednesday, and any ruling in a Dublin court could have no authority in Northern Ireland, where the negotiations resume Monday.

See our International Franchises every Wednesday in The Internet



HONK AND MOO — French farmers protesting European Union policies on Wednesday by using tractors to block streets in Arras, in the north, and by leading a cow and calf through the Halles district in Paris.



Russia to Build Floating Nuclear Plants

By Richard C. Paddock
Los Angeles Times Service

MOSCOW — Nikolai Prolov has a plan to solve the energy problems of the future: a fleet of floating nuclear power stations that could bring electricity to any part of the world accessible by ship.

From the Arctic to the Indian Ocean, dozens of atomic energy plants — all owned by Russia — could be anchored offshore, docked in harbors or even towed upriver to deliver power. In dry regions, a station could generate enough energy to operate a companion desalination vessel and produce a steady flow of fresh water.

Mr. Prolov's vision is not science fiction. Construction recently began on the world's first floating nuclear power station, which is planned to serve Russia's Arctic mining town of Pevek, 1,100 kilometers (700 miles) west of Alaska.

"By building floating nuclear power plants, Russia will get a unique opportunity to deliver energy to these remote places," said Mr. Prolov, a nuclear engineer and head of international cooperation at the Kurchatov Institute in Moscow, the leading nuclear research center in Russia. "As far as I understand, no one else in the world is even thinking about building floating nuclear power plants."

Nearly 12 years after the catastrophic explosion at the Chernobyl nuclear power plant in Ukraine, post-Soviet Russia has begun rebuilding its atomic-energy program — pushing ahead with a new generation of power plants and offering nuclear bargains around the world.

With a \$7 billion plan to build reactors in Iran, China and India, Russia could soon make nuclear energy one of its biggest exports. At home, Russia has resumed construction of reactors mothballed because of the Chernobyl disaster, as many as three could be completed next year, officials say.

The government maintains that nuclear power in Russia is no longer dangerous. The flaws in the Chernobyl-style reactor have been corrected, officials say, and all of the old plants have been retrofitted to prevent another disaster. The new generation of reactors has a different design and — whether the plants are floating or stationary — is "100 percent safe," they say.

Yet the atomic legacy that Russia inherited from the Soviet Union suggests otherwise. The communists' development of nuclear power resulted in a string of nuclear plant accidents dating from a reactor explosion at Chelyabinsk in the 1950s to the Chernobyl meltdown.

Radioactive discharges from nuclear reactors, waste dumps, weapons plants, research labs and aging nuclear submarines have left Russia with a trail of contamination from the Norwegian border to the Far East. In many regions, Russians have been exposed to high levels of radiation, and reports of birth defects are common.

Russian environmentalists argue that the government should clean up its nuclear waste before embarking on a program to build new atomic power stations. The international group Greenpeace contends that some nuclear plants being

FLIGHT: U.S. Jet Violated Altitude Rule

Continued from Page 1

swooping low over their houses. After the accident, motorists called in to say that they had witnessed the Prowler streaking over automobiles as it crossed a major roadway.

After a Prowler crashed on a training flight in Yuma, Arizona, in 1996, killing its four crew members, the Pentagon ordered that all Prowler flights must fly at least 1,000 feet (305 meters) above the ground. That altitude would have easily cleared the ski lift at Cavalese.

As it was, a lift cable would not be visible until about 650 feet away and if the pilot, Captain Richard Ashby, was flying near the Prowler's top speed of 550 miles an hour, as it seems, the plane would cover that distance in less than a second.

More than halfway through its flight, the Prowler veered left into a series of valleys, abruptly deviating, Italian government officials say, from its authorized route.

At 3:10 P.M., 34 minutes into the jet's flight, a bright yellow cable car loaded with skiers began its descent down Mount Cermis. Less than two minutes later, as the car approached the valley floor, Captain Ashby saw a yellow flash on the mountainside ahead and to his right.

It was the cable car.

The pilot banked sharply left and up to avoid it, but in the instant he had to react, it was too late. The right wing of the Prowler sliced through two cables, sending a car on the lift plummeting to the ground, killing all 20 aboard.

Less than 14 minutes later the Marine jet, badly damaged and leaking fuel and hydraulic fluid, landed at the NATO air base here.

The Prowler had a major role in the North Atlantic Treaty Organization

bombing attacks three years ago in Bosnia-Herzegovina, but it is clear that with a peace accord there, the risks of attacks on U.S. and other military aircraft in the region have been substantially reduced. Still, both U.S. and Italian defense officials insist that training missions must be maintained.

Before the order to fly at altitudes no lower than 1,000 feet, flying at half that level was a military aviation art form widely practiced by pilots in planes like the EA-6B Prowler to avoid detection by enemy radar. Prowlers and other radar-jamming planes frequently fly ahead of a raid to clear the way for bombing missions. At such low levels, high speeds are actually safer because they improve maneuverability.

What is unclear is whether the Prowler should have been in the valley in the first place. The Pentagon insists that the Prowler was on the authorized flight path. But Italian officials say the valley was a deviation from the planned route and was unnecessary on a day when postcard-perfect weather made the authorized route easily passable.

The Italians banned low-level flights near the ski lift last August because the number of training runs had climbed to 900 a week in an area about the size of New Hampshire with a population level twice as dense. Since then, flights through the valley have been cut to 500 a week and low-altitude flying sharply limited.

But Italian prosecutors are investigating whether this order was properly passed to Captain Ashby and his crew. The commander of the Prowler's squadron, Lieutenant Colonel Richard Muegge, is being investigated for complicity, the prosecutors say, because he failed to inform his crews about the restrictions.

According to documents filed at the center, the Prowler was authorized to fly from Aviano north to Cortina d'Ampezzo at a cruising altitude of 3,500 feet, continuing to Brunico, where the crew would swing southwest over the Dolomites at a minimum altitude of 500 feet over the terrain to Ponte di Legno. There they would fly south to Casalmaggiore, in the Po Valley.

At that point they would swing north, following Lake Garda to Riva del Garda at the lake's north end. The last leg of their flight was to follow a line from Riva del Garda at a cruising altitude of 2,000 feet above the ground to the Marolada, a ridge of craggy, snow-dusted peaks whose highest point reaches almost 11,000 feet above sea level, and from there back to Aviano.

Why part of the flight was allowed to fly as low as 500 feet over the ground is not known. What is known is that there have been violations of altitude rules by Marine Prowler pilots.

After the accident, Lieutenant Colonel Stephen Wamers was relieved of his command of a Prowler squadron in North Carolina because he had told his squad to destroy any videotapes they had of missions at low altitudes. Home videos are often made during the flights, and one made last year showed the colonel himself flying below the minimum altitude of 1,000 feet off the ground, according to a high-ranking Marine officer at the Pentagon.

At 2:36 P.M., Captain Ashby and his crew took off from Aviano for Cortina. The sky was crystal clear, with little wind.

The Prowler has a single set of flight controls, at the pilot's seat on the front left, but the man in the right front seat, on this flight, Captain Joseph Schweitzer, could serve as a co-pilot, assisting with communications and navigation. Captain Schweitzer has 1,000 hours of experience in Prowlers, more than Captain Ashby, but under Marine rules, the pilot is responsible for the safety of the plane.

Behind Captain Ashby sat the two other crew members, Captain William Raney 2d and Captain Chandler Seagraves.

The Prowler does not have a civilian-style cockpit voice recorder or a flight data recorder, the so-called black boxes. It does carry a mission recorder, which tracks radar activity, altitude above sea level and latitude and longitude.

But the accuracy of the navigational record deteriorates by up to one nautical mile — almost 6,100 feet — for every hour of flight. By the time the Prowler hit the ski lift, the recorded location could have been off by half a mile, which would make a huge difference in calculating its height above uneven terrain.

But for a typical Prowler mission, the best equipment is a pilot's eyes.

"For that type of mission down that low, he is visually navigating," a retired flight instructor said. "He should be visually seeing how high he is."

BRIEFLY

2 German Soldiers Accused of Racism

BONN — Two German soldiers on peacekeeping duty in Bosnia hurled neo-Nazi insults at Albanian troops, telling them that "Adolf Hitler would have stuck you in the gas chamber," a television news program reported Wednesday.

The Defense Ministry said it was investigating the alleged incident last October at a German base at Rajlovac, outside Sarajevo, which Albanian peacekeepers help guard.

It was the latest report about far-right extremism in the German military in recent months that has tarnished the army's image. (AP)

Italy Alliance Split

ROME — Italy's center-right opposition Freedom Alliance was divided and weakened Wednesday after some members of two smaller parties decided to join a new political grouping headed by former President Francesco Cossiga.

Members of the two small parties — the Christian Democratic Center and the Christian Democratic Union — decided Tuesday to join Mr. Cossiga's formation, known as the Democratic Union for the Republic.

"Cossiga dismantles the Alliance," was the headline in Wednesday's edition of L'Unita, newspaper of the Democratic Party of the Left. (Reuters)

3 Ready to Quit Mir

MOSCOW — Two Russian cosmonauts and a French astronaut on the Mirpacked up for their trip back to Earth on Thursday, which will mark the 12th anniversary in orbit for the Russian space station.

The two Russians, Anatoli Soloviyov and Pavel Vinogradov, arrived on Mir in August, a time when the troubled space station was plagued by a number of breakdowns, including a reduced power supply.

The two Russians packed up Wednesday and will leave Mir on Thursday morning along with the French astronaut, Leopold Eyharts, who has been aboard for three weeks conducting scientific experiments, the Interfax press agency reported. (AP)

Ferry Inquiry Ends

STOCKHOLM — The investigation into whether criminal charges should be filed in the Estonia ferry disaster is being closed without indictments, the probe's prosecutor said Wednesday.

"I'm not saying that nobody did anything wrong, only that I did not find anyone who was criminally careless," the prosecutor, Tomas Lindstrand, said, according to the Swedish press agency TT.

The Estonia sank on Sept. 28, 1994, killing 852 people. (AP)

At precisely 3:12:42 — noted by a seismographic station on Mount Cermis — Captain Ashby's Prowler sliced into the ski lift cables at about 540 miles an hour, virtually at top speed, according to Italian investigators.

The right wing cut a two-inch thick cable that holds the cable cars up and a three-quarter-inch cable that tugs them along.

At 3:26 the flight, code-named Easy 01, limped in to the Aviano base, leaking fuel and hydraulic fluid. The crew evacuated the plane so quickly that one crew member twisted an ankle leaping to the tarmac.

Aviation mechanics said the jet was seriously damaged in four places. On the front edge of the right wing, which had evidently sliced through the cables, were two gasbags several feet apart, each about 6 inches deep. Electronic equipment under the wing was sheared off. And serious damage was evident on the tail, caused, investigators believe, when the beaver of the two cables snapped across the tail like a whip.

The Marines will not explain why the Italian maps with the ski lift on it were not used. American military flights generally use American maps, mostly because Pentagon officials trust American map-makers more than the agencies that draw local maps.

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Bad Plan for Indonesia

Facing a plummeting economy and angry rioters, President Suharto of Indonesia has turned in desperation to a magical remedy known as a currency board. Such a board would tie the value of Indonesia's currency, the rupiah, to the value of the U.S. dollar and commit Indonesia to accumulating large dollar reserves with which it could, if needed, buy back all the rupiah its central bank has issued. In theory, a dollar-backed currency board assures foreign investors that their money is safe, leading them to return and thereby stimulating recovery.

But what sounds appealing, most Western experts warn, could easily backfire in practice. The International Monetary Fund and Clinton administration officials have rejected the adoption of a currency board because they rightly fear that, employed during a currency crisis, it could drive up interest rates, crushing the country's debt-burdened businesses. The high interest rates would be needed to attract tens of billions of dollars from the rest of the world to create a reserve fund big enough to reassure foreign investors.

A currency board would also tie the supply of the rupiah in the economy to the flow of dollars from abroad, rather than to policy decisions by the Indonesian central bank. That means the central bank could no longer expand the money supply to fight off a collapse of domestic banks or to extract the economy from depression.

The advocates of a currency board point to its successful application in Hong Kong and Argentina. But Hong Kong is tiny, and cannot run a monetary policy independent of that of its trading partners. Argentina adopted its currency board only after it lost control of its monetary policy and flirted with hyperinflation and the disintegration of its monetary system. In that circumstance the currency board poses scant additional threat. Indonesia fits neither circumstance. For it to relinquish control over its monetary system amounts to reckless policy disarmament.

Mr. Suharto challenges the West to provide a better solution to his economic problems. That solution is agonizingly slow and painful. Indonesia must continue to post-pone debt repayments to foreign creditors until it works out a realistic repayment schedule. Then Mr. Suharto must swiftly carry out his pledge, made to the monetary fund in exchange for a \$43 billion bailout, to fix Indonesia's bankrupt banking system. He appears to think he can grab the \$43 billion yet keep doing as he pleases.

Fortunately, the monetary fund has threatened to cut off the money if Mr. Suharto proceeds with his foolhardy idea. The dictatorial Indonesian leader has the power to impose his irresponsible will on his countrymen. But the IMF must tell him the West will not be complicit.

—THE NEW YORK TIMES.

Pentagon Pep Rally

The Clinton administration, while still hoping for a diplomatic solution to the standoff in Iraq, has decided that it must educate the American people on why force may be needed, with all its inherent risks. To that end, President Bill Clinton led a kind of pep rally at the Pentagon Tuesday that, it seems to us, went only partway toward meeting its goals.

What was objectionable was not so much that the session began with an inappropriate and trivializing ritual of sycophantic self-praise moving up the chain of command — with the Joint Chiefs chairman, General Hugh Shelton, fawning over Defense Secretary William Cohen ("an extraordinary man"), Mr. Cohen paying tribute to Vice President Al Gore ("a firm and steady hand in our nation's foreign diplomacy"), and Mr. Gore delivering a campaign-style introduction for the president ("the man whose leadership and commitment to our nation's security and strength have done so much for the cause of peace and freedom around the world").

The more serious problem was the questions Mr. Clinton did not answer. The president laid out the need to take action. Saddam Hussein himself promised the United Nations that he would destroy his nuclear, chemical and biological weapons. Mr. Clinton pointed out. But the Iraqi leader has repeatedly lied about his arsenal since making that promise, lies made perfectly evident by the repeated amendments Iraq makes to its declarations when caches are uncovered.

Mr. Clinton correctly noted that Saddam Hussein has put himself in a different category from any other leader, even those who also may aspire to or possess chemical weapons, because he has repeatedly used such weapons against his own and other people. And Mr. Clinton said that the credibility and future effectiveness of the United Nations, not just the United States, is on the line. Saddam Hussein's regime "threatens the safety of his people, the stability of his region and the security of all the rest of us," Mr. Clinton said.

But if the Iraqi threat is that serious, Mr. Clinton was less persuasive in arguing that he has found an equally serious remedy. His rhetoric has downshifted from promising to deny Saddam the capability to use weapons of mass destruction to pledging only to diminish that capability. He has said the United States will be ready to strike again if necessary.

But it is far from clear that air strikes are an effective weapon against the capabilities at issue here, and it is even less certain how the UN if it does not get its inspectors back into Iraq, will have sufficient information in six months or a year to credibly threaten a second round of military action.

For now, the administration's plan may well be the best of many bad

options, though that is not much of a slogan for a pep rally. It's easy, and in many cases justified, to point to the Bush and Clinton administration mistakes that helped produce this fix, but doing so does not make the challenge any simpler.

It's also easier to point to shortcomings in the administration strategy than to devise a better plan; Republican calls to give more money to Radio Free Iraq and the like may make sense but do not add up to a solution.

More far-reaching military action, such as the use of ground troops, would entail huge risks, too, which is why few of the administration's critics endorse such action. Still, if Saddam Hussein is as insupportable a threat as Mr. Clinton suggests, the U.S. president needs to explain why such an alternative is not being considered. At a minimum, he needs to present air strikes as merely one stage in a campaign that may need to be sustained well into the future.

The nations that have objected so loudly to military action heretofore also have a special responsibility now. Mr. Clinton is right to give every reasonable diplomatic option a chance to play out, including mediation by UN Secretary-General Kofi Annan if it can be arranged. But he is also right to insist, as should every United Nations Security Council member, that the only acceptable outcome is one that allows UN inspectors to freely pursue their jobs for as long as they deem necessary.

If Saddam Hussein does not consent, it will be fair to ask the French, Russian, Japanese and Chinese governments not just to get out of the way but to support — militarily or financially — the only viable option Iraq has left to the world.

—THE WASHINGTON POST.

Other Comment

Nigerian Intervention

Nigerian involvement in driving the rebels out of Freetown does not mean that Nigeria has suddenly become a staunch defender of constitutional legality in the region.

In fact, Nigeria's intervention in Sierra Leone is motivated more by the desire to strengthen its influence in West Africa and to enhance its lately tarnished prestige.

Furthermore, just as Nigerian troops are entering Freetown, a trial has begun in central Nigeria against a group of generals accused of conspiring against President Sani Abacha's government.

One cannot help suspecting that another reason the leaders in Abuja are willing to send their elite troops abroad is to keep them out of mischief.

—Neue Zürcher Zeitung (Zurich).

Attacking Iraq: Immoral and Counterproductive

By William Pfaff

PARIS — Nearly everyone by now seems agreed that air attacks on Iraq by the United States could not accomplish what Washington wants, which at a minimum is to restore free movement for UN arms inspectors, and at most to overturn Saddam Hussein.

Nearly everyone actually seems to agree that such attacks would terminate UN inspections for good, strengthen the Iraqi president's political position and further destabilize the Gulf and Middle East, while weakening the influence of the United States.

Some logical people therefore say don't do it. Some others have logically concluded that it is necessary to do much more: invade and occupy Iraq, depose Saddam Hussein and sponsor a replacement government.

Since few officials engaged in the conduct of American policy want to call off the war — having been marching up this hill for weeks now, fives skirling and drums pounding — and still fewer have any appetite for a real war with many dead Americans, the logical conclusion the analyst must draw is that the United States will go ahead with the attack, which will fail, as predicted, followed by all of the bad consequences that everyone has already foreseen.

The affair no longer is connected to common reality. It is a matter of symbolic action and gesture, related to political power, policy investment and status inside Washington, and is now driven forward for the sake of its media narration, which, in the ambient narcissism, has become the operative reality.

Iraq is no longer a place but a concept. The new Hollywood film "Wag the Dog," which portrays a scandal-challenged president staging a computer-generated, special-effects television war against an imaginary Albania, suggests only half the truth about Washington today. The actual Iraq and its president now are figurants in the great audiovisual game of international affairs as played in Washington.

Do they not bleed, those Iraqis? For too many in the Washington policy community, they bleed no more than Bruce Willis bleed, or Arnold Schwarzenegger — or Dr. No. They bleed only for those for whom this is not a virtual game, such as those aboard the carrier jets that will be launched into 4 A.M. darkness next week, when the Olympic Games are over (so we are told to expect), who will also face the possibility of dying — possibly, after ejecting, by being stoned to death on the ground by their bombings' wretched victims.

I am no pacifist, having spent my 20s as a volunteer to fight America's hot

and cold wars, but I believe that acts of war without clearly achievable objectives, without a clear connection between the acts and the intended results, are immoral.

I regret that the United States in recent years has abandoned that principle and has carried out several intrinsically futile and fundamentally self-indulgent attacks on other states, including the invasions of Grenada and Panama, and that it is now building up to another.

That Saddam Hussein is a war criminal and a despicable tyrant is beyond doubt, but the American plan is not to snatch him away for delivery to The Hague war crimes tribunal, while liberating his nation's people. In practice the United States would seem to punish the despot's people because of the despot's crimes.

The Gulf War was justified, as was the Falklands War. Both responded to acts of aggression, were successful and vindicated the principles of international legality. The prospective attack on Iraq responds to outlaw conduct and to the hypothetical threat of aggression but offers no serious prospect of changing either. The UN Security Council and the majority of nations in the region, as elsewhere, have thus far declined to endorse an attack.

During the 1950s and 1960s, confronted with the desperate problems of

political morality created by nuclear weapons and the Cold War, a part of the analytical community in the United States and Britain looked for help from philosophy and theology.

Certain American strategic thinkers and military men were particularly influenced by the reflections on war morality by Thomas Aquinas and the late-Renaissance Spanish theologian Francisco Suárez.

Their arguments concerning a just war hold, among other things, that a war should be undertaken by lawful authority, be an act of last resort, employ only proportionate violence, create fewer wrongs than it rights and enjoy a reasonable expectation of achieving a victory that accomplishes the purposes for which it was begun.

I cannot see that any of those criteria are met in what America proposes to do to Iraq. The theologians specifically condemn a war that is waged merely to maintain a nation's prestige.

Washington today is not in the habit of consulting either theological or philosophical opinion in the course of its policy deliberations. However, the force of the arguments I have cited lies not in their authority but in their common sense. Surely we are not imperious to common sense?

International Herald Tribune.
Los Angeles Times Syndicate.

It's Up to Saddam to End the Suffering of the Iraqi People

By Bill Richardson

The writer is U.S. ambassador to the United Nations.

UNITED NATIONS, New York — For far too many years, the Iraqi people have been forced to bear an onerous burden. During the 1980s and early 1990s, the country was devastated by the disastrous policies of its leaders, which led to a decade of almost constant war.

Today, the Iraqi people continue to bear terrible hardships. Illness, malnutrition and poverty are rampant.

The burden of responsibility for their suffering lies squarely on the shoulders of one person — Saddam Hussein. His consistent refusal to comply with UN Security Council resolutions, his unceasing efforts to build weapons of mass destruction and his blatant attempts to manipulate and choreograph the misery of Iraqi women and children make clear his utter lack of concern for his own people.

The current situation traces its origins to the 1990 invasion of Kuwait. After reversing Iraqi aggression in the Gulf War, the UN Security Council

passed a series of resolutions — enforced by international sanctions — to help ensure that Iraq's weapons of mass destruction program would be fully dismantled and that Saddam would be prevented from rebuilding his military forces.

These sanctions exempted food and medicine, which Iraq remains free to purchase on the open market. The international community has never sought to punish the Iraqi people for the sins of their leaders.

Clearly, however, Saddam Hussein's priorities lie elsewhere. At the same time that Iraqis are suffering from food shortages and a lack of civilian housing, Saddam has spent as much as \$2 billion on lavish palaces for himself and his ruling clique.

What's more, Iraq continues to hoard and stockpile food and medicine for use by its military and regime supporters, while

drastically reducing programs of humanitarian assistance for its own people. The result is that today the people of Iraq rely almost exclusively on the United Nations for their food and medicine.

The fact is, the Iraqi regime has demonstrated a far greater desire to continue building weapons of mass destruction than it has to feeding its own people. Developing mustard gas, anthrax or the nerve agent VX never fed one hungry child, but for the Iraqi regime it seems to be far more important.

Led by the United States, the international community has sought to help Iraq generate the revenue it needs to purchase food and medicine. We proposed that Iraq be allowed to sell limited quantities of oil in exchange for humanitarian supplies. For four years, however, while his people were suffering, Saddam rejected this proposal.

Last year, Iraq finally allowed an oil-for-food program to go forward. Since then more than 3 million tons of food have been delivered to the Iraqi people and 95 percent of all contracts for food and medicine have been approved.

Even so, Iraq recently requested that the UN defer consideration of contracts for \$120 million in humanitarian assistance. In UN Secretary-General Kofi Annan's recent report on the oil-for-food program, he noted that most of the delays and disruptions in the delivery of food and medicine had been caused not by the United Nations or the international community but by Iraqi actions.

The grave threat that weapons of mass destruction pose, as well as Saddam's past inclination to use them against combatants and civilians alike, precludes any compromise on the part of the international community in ensuring that Iraq's capacity to produce these weapons and threaten its neighbors is reduced.

Nonetheless, the United States — along with its colleagues in the United Nations — remains committed to ending Iraq's suffering. In particular, we have now received Secretary-General Annan's report on ways to improve the effectiveness and the implementation of the oil-for-food program.

We are prepared to support a significant increase in the scope of this program, including expanding oil sales to allow for the additional purchase of food and medicine. Unlike Saddam Hussein, we will not hold the Iraqi people hostage.

In the end, however, responsibility for the plight of Iraq's people lies not in New York or Washington but in Baghdad. If the Iraqi regime truly cares about its people, its course of action is clear: Comply with UN resolutions; spend money on food, not weapons and palaces; and make a serious effort to alleviate the nation's suffering. Only then will the tragic burden on the Iraqi people be lifted.

—Los Angeles Times Syndicate.

After Suharto, Who? The Answer Is Far From Obvious

By Alan Dupont

CANBERRA — Two widely held misperceptions about Indonesia have gained currency in recent months.

The first is that the country is on the verge of collapse, as the government of President Suharto struggles to turn around its battered economy and keep the lid on escalating political and social tensions.

While there is no doubt that this is the most serious crisis of confidence the retired general has faced, Indonesia is far from the level of economic chaos,

civil unrest and anarchy that existed in 1965, when he replaced the country's founding president, Sukarno.

Mr. Suharto, 76, is still in the driver's seat, and for all the erosion of his moral and political authority he remains a formidable and resilient leader.

Food riots and other social disturbances, while spreading, have yet to seriously challenge the government's writ.

Moreover, the armed forces

— including the police, which are under the military's command — are far better equipped and trained to manage civil disturbances than they were in the past.

The second misperception concerns the significance of the vice presidential election next month, which will accompany the presidential election.

Most analysts assume that the successful vice presidential candidate, now almost certain to be the controversial research and technology minister, B.J. Habibie, will become Mr. Suharto's long-term successor if the president steps down or is incapacitated during his next five-year term.

For this reason, the March meeting of the electoral college is seen as the most crucial of Mr. Suharto's long rule.

What is often forgotten, however, is that if the vice president replaces Mr. Suharto before the president's term expires, he must be confirmed within six months by a special session of the 1,000-member electoral college, known as the People's Consultative Assembly. It is by no means sure that Mr. Habibie would secure the assembly's endorsement, especially if the military withheld its support.

Military backing is vital for any aspiring presidential contender, even more so at a time of political and social strife.

The assumption that there will be a seamless transfer of power from Mr. Suharto to his vice president becomes even more problematic if Mr. Habibie is indeed the successful nominee.

Although the armed forces have endorsed the colorful but erratic science and technology czar, there is no great affection or respect for him in the officer corps. Military support for Mr. Habibie could quickly evaporate without Mr. Suharto's continuing patronage.

So who will be the president's long-term successor if not Mr. Habibie? The strongest candidates appear to be the current vice president and former armed forces commander Try Sutrisno; Mr. Suharto's eldest daughter, Siti Hardianti Rukmana, and Information Minister Hartono, a retired army chief.

Mrs. Rukmana and Mr. Hartono are the least likely to succeed Mr. Suharto because they carry too much political baggage. Mr. Try has an outside

chance but is generally considered to lack the requisite skills and drive for the highest office.

It is more likely that Mr. Suharto's eventual successor will come from among the ranks of the next generation of recently promoted senior military officers.

The three men to watch are the armed forces commander, General Wiranto, a former aide to Mr. Suharto, the head of the army's strategic reserve, Lieutenant General Prabowo Subianto, who is Mr. Suharto's son-in-law, and the military's ideological watchdog, Lieutenant General Bambang Yudhoyono.

General Wiranto is almost universally well-regarded in the armed forces and elite civilian circles. While he may lack charisma, he has a certain presence that is important in Indonesia, especially Javanese, culture, as well as a reputation for integrity and professionalism. He lacks the broad national experience of earlier generations of military officers but is a fast learner and a good listener.

General Prabowo is highly capable, sophisticated, ruthless and a far more practiced politician than General Wiranto. However, he has his share of detractors, who accuse him of being manipulative, emotional and too nakedly ambi-

tious. His family connections have so far proved advantageous, but whether this continues to be the case will depend on how long Mr. Suharto remains at the helm.

General Yudhoyono is the dark horse of the three, but he is arguably the most intelligent and the deepest thinker. General Prabowo probably regards him as his major rival for the job in the armed forces and perhaps for the ultimate prize — the presidency of the world's fourth most populous nation.

For the moment, General Wiranto must be considered the most likely long-term successor to Mr. Suharto. Little is known about how he would seek to govern Indonesia or about the kinds of economic and social policies he would adopt. If General Wiranto does not become president himself, he will probably be the kingmaker. Certainly no successor to Mr. Suharto could emerge and govern without General Wiranto's support.

The writer, a former Australian diplomat who was posted to Jakarta from 1991 to 1994, is the director of the Asia-Pacific security program at the Australian National University's Strategic and Defense Studies Center in Canberra. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Lagos Incident

PARIS — [The Herald says in an Editorial:] A telegram from Lagos records the occupation by British native troops of Boreia in the Lagos Hinterland, and the subsequent arrival on the spot of a French officer who ordered the British flag to be hoisted down. This request being disregarded, he withdrew with his forces, refusing the offers of a conference made by the British commander. Such is the incident which caused a great sensation in the House of Commons.

1923: German Expelled

DUSSELDORF — Dr. Gruetznier, President of the Prussian Government District, in which are included Düsseldorf and the Ruhr area, was arrested by the French and expelled from occupied territory. This step, which is due to the alleged insulting tone of a

letter written by Dr. Gruetznier protesting against the conviction of Dr. Jarres, Mayor of Duisburg, and sentence of one month's imprisonment for defying the French authorities, is the most sensational sanction yet taken against any individual German.

1948: De Valera Loses

DUBLIN — John A. Costello, a Dublin lawyer, was elected Prime Minister of Eire after Eire's first general election. De Valera's bid for a return to power. Mr. De Valera had been Prime Minister for sixteen years. His downfall brought Eire's first Premier since creation of the Irish Free State in 1921. Mr. De Valera's predecessor was William Cosgrave, who accepted a treaty with Britain creating the Free State. Mr. De Valera opposed the treaty and eleven years ago fostered a new Irish constitution which formed the independent Republic of Eire.

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

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Tel: (1) 41.43.93.00, Fax: Subscriptions: (1) 41.43.92.10, Advertising: (1) 41.43.92.12, News: (1) 41.43.93.34.
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S.A.S.: au capital de 1.200.000 F. RCS Nanterre B 75202126, Commission Paritaire No. 61337
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By Ellen Goodman

In 1978, when Baby Louise came out of the test tube, down the birth canal and into the public limelight, in vitro fertilization was a shock. Now it's nearly routine.

The Boston Globe.



LETTERS TO THE EDITOR

Netanyahu's Failures

Regarding "People First: The World Economy Needs Regulation" (Opinion, Feb. 13) by William Pfaff:

Mr. Pfaff returns to a favorite theme: Free-market capitalism

Modern Music

Regarding "How to Separate the Old and the New: Let's Hear It for Musical Ghosts" (Features

Feb. 14) "high tea" in England is a robust tea-cum-supper served to children or hungry workers who prefer to eat their evening meal immediately upon returning home. A favorite high tea when I

An Appetite for Tea

ADRIENNE FARRELL
JACKSON.
Bougy-Villars, Switzerland.

Modern Music

Regarding "How to Separate the Old and the New: Let's Hear It for Musical Ghettos" (Features, Feb. 11):

Capitalism's Promise

Regarding "People First: The World Economy Needs Regulation" (Opinion, Feb. 13) by William Pfaff:

Mr. Pfaff returns to a favorite theme: Free-market capitalism

BOOKS

**THE OTHER SIDE
OF THE RIVER**
A Story of Two Towns, a Death
and America's Dilemma

West of it, along the shores of Lake Michigan, is the white town of Joseph, dominated by Hallmark Cards, a symbol of American well-being. East

the chief detective in charge of the case and with Eric's grieving mother. At one point he even takes a canoe trip down the St. Joseph River to test whether the current or the wind could blow a floating body upstream.

of that essential fact. It is the difference between the two towns, one white, one black, that anchors his story, gives it its soul, and makes it important, essential even, for the rest of us to contemplate.

New York Times Service

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BRIDGE

By Alan Truscott

THE Young Guard of American bridge uses aggressive bidding methods that would surprise the stars of the game. Jeff Meckstroth and Eric Rodwell have won several world titles and are expected to win more but have not revealed their secrets in print. Larry Cohen and David Berkowitz, who are likely to win world honors some day, have been slightly more forthcoming. Cohen has effectively developed the Law of Total Tricks, which guides players in deciding how far to bid in competitive auctions.

useful clues to the bidding style have been provided by two new books at 6260 Grand Circle, Lake Worth, 4467, for \$19.95 in hardcover. "Bidding by Mail," by John W. West, is a book on double, build-up partnerships, and "Bidding by Mail: Tactics and Consequences," by top players. The programed deal individual value of inserting a top partner find the two on-coup fol-take-out double permit raise or better. The bids game. But the chance to bid indicating the safest lead to his partner.

South wins the club lead with dummy and takes a trump trick to the king. And lead is ruffed, a cashes the spade ace leads a small diamond. West must be alerted opening bid follow jump to game make that he must have a second ace and the heart. So West must grade a second king, and return a second. Then he must two heart tricks at. But he fails to take a second king he will played by the third diamonds and the succeed.

opening
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NORTH
♠ Q 10 8 3
♥ 7 5
♦ Q 10 8 6 2
♣ A 8

WEST
♠ K 4
♥ A Q 9 2
♦ K 7 3
♣ Q 9 5 3

EAST
♠ 7 5
♥ 8 8 3
♦ K 5
♣ J 10 7 6 4


SOUTH(D)
♠ A 7 9 8 2
♥ K J 10 4
♦ A 3 4
♣ 3

Both sides are vulnerable. The bidding:


| South | West | North | East |
|-------|------|--------|------|
| 1 ♠ | Dbl. | 2 N.T. | 3 ♣ |
| 4 ♣ | Pass | Pass | Pass |

West leads the club three.

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TribTech

In Electronics' Future, A Microscopic Revolution

Nanotubes Expected to Replace Silicon Devices

By Malcolm W. Browne
New York Times Service

SCIENTISTS experimenting with a fascinating speck of matter called a single-walled carbon nanotube say this elegantly geometrical molecule is about to ignite a revolution in electronics, computers, chemistry and new structural materials.

In place of the relatively large electronic devices incorporated in silicon-based chips, physicists have proved that it is possible to create devices on an atomic and molecular scale. A single electron in a single-wall carbon nanotube could function as a microminiature transistor.

Nanotubes only a few atoms in diameter, which spontaneously form from hexagonal arrays of carbon atoms, were discovered in 1991 by Dr. Sumio Iijima of NEC Fundamental Research Laboratories in Tsukuba, Japan. These tubes, actually elongated molecules, form in furnaces from vapor generated by carbon arcs and lasers. They take their name from the nanometer, a unit of measurement one-billionth of a meter long — a convenient length for specifying molecular dimensions.

Several recent reports show that nanotubes only one-50,000th the thickness of a human hair can perform the same electronic functions as vastly larger silicon-based devices. As a result, a computer based on nanotube devices could be extremely compact, fast and powerful.

SITES

- Properties of over 10,000 compounds from National Institute of Standards and Technology at: webbook.nist.gov
- Latest information from the NASA Ames Space Science Division: science.nasa.gov/hamilton/report.html
- University working on research: physics.berkeley.edu/research/mecuen/people/bucknathresearch.html

terminating current into direct current. "When we grow nanotubes," Dr. Zettl said, "electronic devices naturally form on them."

As ever smaller electronic devices are needed to improve the speed and power of computers, "the silicon industry is coming up against a brick wall," Dr. Zettl said. The solution may be to replace the silicon-based devices used today with minuscule carbon molecules, which would have another advantage: They conduct heat much faster than silicon and therefore would be more suitable for microelectronics.

LOOKING farther into the future, Dr. Zettl suggested that clumps of carbon nanotubes might spontaneously organize their electronic interactions into complex webs analogous to the neural networks of the brain. The density of nanotube interconnections achieved by clumping them together is staggering: If all the nanotube carbon molecules that could be packed into a one-half-inch cube were laid end to end, they would extend 250,000 miles (400,000 kilometers).

Dr. Zettl speculated in an interview that a random jumble of nanotubes in such a cube could generate a network of nanocomputers that might be able to perform complex tasks and reconfigure itself to improve its own efficiency.

Such a "tube cube," as Dr. Zettl calls the imaginary nanotube brain, may never materialize. But recent research offers strong evidence that nanotubes have, at least, a great electronic future.

Research reported in October by Dr. Zettl and his colleagues produced evidence that a single nanotube molecule could contain many tiny devices: transistors and other essential components of electronic systems.

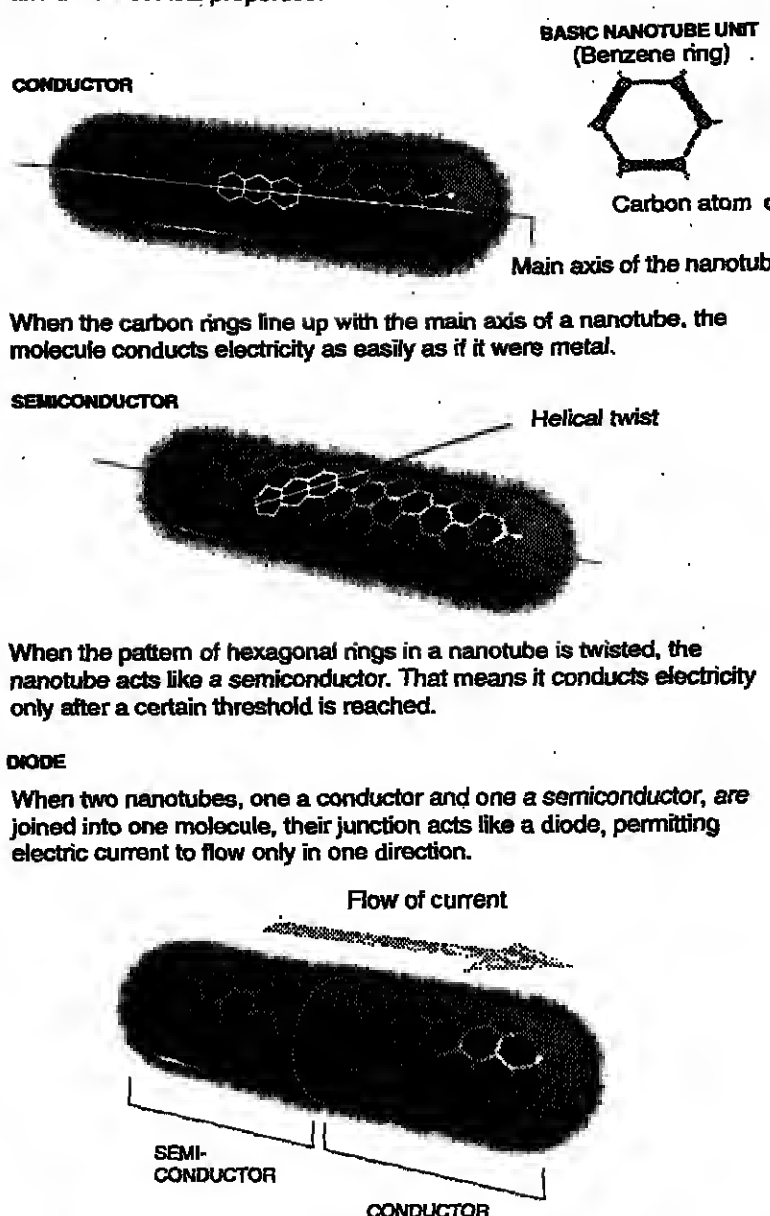
At NASA's Ames Research Center at Moffett Field in California, a group recently reported that by inserting defects into the junctions between metal-like nanotubes and semiconductor nanotubes, it had created a variety of junction types within a single nanotube molecule.

A pair of papers published in January in the journal *Nature*, one by chemists at Harvard University and the other by scientists at Delft University of Technology in the Netherlands and Rice University in Houston, independently reported the discovery that the electronic properties of a nanotube depended on the molecule's twist.

Chemists describe the raw material of nanotubes as sheets of graphite only one

In a Few Atoms, Many Possibilities

Nanotubes, molecules made mainly of carbon atoms, might one day replace silicon chips in computers much smaller than today's models. Nanotubes can be formed from condensed carbon vapor and they are 1/50,000th as thick as a human hair. Here are some types of nanotubes and their electrical properties.



Source: University of California at Berkeley

atom thick that are condensed from carbon vapor. Carbon atoms linked together in graphite sheets spontaneously form a pattern resembling chicken wire. When such a sheet rolls itself into a tube so that its edges join seamlessly together, a nanotube is formed. Usually,

hemispherical caps form at the ends of each tube, closing it. The group in the Netherlands and the Harvard team both reported that there was a strong relationship between a nanotube's electronic properties and its diameter and degree of twist.

ALT / Q&A With Paul Otellini

Intel Casts Its Net Wide As New Markets Beckon

As executive vice president for Intel Corp.'s sales for the past four years, Paul Otellini has focused on extending the chipmaker's global presence. Mr. Otellini, 47, who has been with Intel since 1974, took over last month as general manager of the Intel architecture business group and is seen as the third-ranking Intel executive behind Andrew Grove, chairman, and Craig Barrett, president.

On a recent trip to Paris, he spoke with editors of the International Herald Tribune about Intel's place in world markets.

Q. How dependent is Intel on the growth of your international markets?
A. I would say very. Most of our business is not U.S. and hasn't been for some time. I'm in a new job now, but four years ago I took over sales and marketing for Intel. Over those four years, every incremental dollar to invest went to emerging markets. We actually shrank our resources in Western Europe and the United States to help fund some of that.

The sales in emerging markets went from half a billion dollars a year four years ago to over \$3 billion today. That's over 50 percent of the company. I think they are going to continue to grow as a percent. These are countries we defined as not covered three or four years ago — Latin America, Eastern Europe.

Q. Do you see Europe in particular closing the gap technologically, making sales more difficult if their own producers emerge?

A. From a chip perspective, there really aren't any European competitors, at least for our stuff. SGS-Thomson is not even on the radar screen now.

I think there is an issue with the fact that the European computer companies are sort of hanging on at best, and they're not gaining share against the big multinationals.

I think the European computer companies have some soul-searching in terms of, "How do I compete with an aggressive Compaq or a pervasive IBM?" That's going to be tough.

The thing that is strong, though, is this category that's "other." Particularly in Europe, the "other" category, the unbranded, the brands that fall below everyone's radar screen, is 35 percent to 40 percent of the business, depending on which country you're in, and remains 35 percent to 40 percent of the business year after year.

Q. Do you feel your competition in the future is going to be a cheaper chip or a bigger, better, faster chip?

A. That question gets asked every two years, every time we're at the middle of a generational transition. I mean, would you still use a 486 today, or a 386, or a 286? Probably not.

There are a couple of vectors here. One is if you take a long-term view, say, two or three years. What we believe in the industry we need to do is to make



Paul Otellini, Intel vice president.

these things a hell of a lot easier. Ease of use requires more computing power, not less.

The ultimate ease of use is speech. Nobody wants to deal with commands. You want to be able to talk to it in phrases that are human-like and not DOS commands. To be able to have that interpretation and not have to be trained requires three to four times the computing power that's in a PC today. The good news is, computing power moves at that rate.

The other stuff is that I think Internet commerce is right about on us. The data I saw was that it's at \$10 billion today. It exited last year at a \$20 billion run rate, and there are projections that approach \$1 trillion in the next few years.

Andy [Grove] calls it the war for eyeballs. As there is increasing competition on the Net to sell services, the way you sell those is the way you do any kind of advertising, which is better Web pages, videos, that kind of stuff. All that requires computing power.

I think it's easy to say that if you want to do is simplistic Web surfing or word-processing or simple spreadsheet, you're right. The \$800 PC going to the \$600 or \$500 appliance is more than adequate for that. But I don't think that's where the market's going to be.

Q. As dependent as you are on international sales, what is the Asia situation now?

A. We're O.K. on average, on balance. Obviously, Korea and Southeast Asia are troublesome — Thailand and Indonesia. Malaysia's O.K. China's been very strong for us throughout this whole thing, and as long as China remains strong and grows, we're on balance going to be fine in Asia.

Our business levels in Japan have dropped substantially from the first half of last year to the second half of last year.

I have not heard a good explanation as to why computer sales are down in Japan. I don't see them getting any worse, and I don't see them getting any better. I think they're going to stay at the current levels for some time.

A Push to Provide 'Safe Playgrounds' in Cyberspace

By Denise Caruso
New York Times Service

NEW YORK — One of the most striking paradoxes of Internet culture is that children are the most computer literate among us, but their vulnerability to on-line predators prevents their being able to enjoy or explore freely what is likely to be the defining medium of their lives.

How can on-line services create a safe place for children to meet and play together while at the same time protecting them from pedophiles and unscrupulous marketers who often pose as children? And how can we keep children away from pornographic adult sites, which are accessible at the click of a mouse?

Today's solutions to the pornography problem, at least, are not working very well. For example, so-called filtering programs such as CyberSitter, Net Nanny and Cyberpatrol are supposed to block access to a constantly updated list of adult World Wide Web sites. But an article in September's issue of *Consumer Reports* noted that all were relatively easy to circumvent.

Thomas Morgan, a longtime on-line executive and president of Nvolve Inc., a company that develops on-line communities, has devised a solution he calls

the Safe Playgrounds Initiative. He has been discussing it privately for several months with various U.S. organizations, including the Electronic Frontier Foundation, a civil liberties group, and the Children's Advertising Review Unit of the Better Business Bureau.

Mr. Morgan is now going public with the initiative, which he developed after deciding to build an on-line community for children and realizing that all the security measures were too complex or constraining.

For example, the popular Disney Web site, to protect its young users and its reputation as a family company, allows children to communicate only inside its Disney Blast area, which not only requires registration but asks parents to specify with whom their children are allowed to communicate.

"Parents can drop the restriction if they want," said Jake Winebaum, president of Disney Online. "But if they do, we educate them about the consequences of their decision."

Mr. Morgan wants to change the rules of engagement. "We wanted children to be able to go to places on the Web where they can feel safe to explore and play," he said. "We also wanted something that doesn't require every consumer to be a Web genius — something simple,

clean and easily applied."

The result was Safe Playgrounds, which Mr. Morgan is now asking industry executives and politicians to support. Its tenets are:

- To develop a "kid's browser" that includes an unbreakable bit of software code that Mr. Morgan is calling a G-bit, for general audience. This identifies the user as someone who is either under 18 years old or does not want to see adult material. Web publishers then rate and code their own sites, and anyone who shows up at an adult site with this G-bit will be denied access.

- To stop sexual and commercial predators who seek out children on-line, by means of what Mr. Morgan calls the Safe Playground Law, which would make it a federal crime for an adult to impersonate a child on-line in any site declared a Safe Playground.

- To develop Safe Playground qualification criteria, including trained monitors in chat rooms to keep an eye peeled for predators; a guarantee that no child's full name, physical address or personal e-mail address would ever be revealed; an agreement to inform parents when sites are collecting data about youngsters; and an agreement to display only clearly identified, age-appropriate, noncoercive advertising messages.

"The Safe Playground criteria are very closely in sync and may even surpass what we're trying to get the industry to do," said Elizabeth LaScout, vice president of the Council of Better Business Bureaus and the director of its Children's Advertising Review Unit.

Some executives, including Mr. Wincham of Disney, predict that enacting an initiative like Safe Playgrounds will be difficult, but he is also adamant that an industrywide, mandatory solution is "the only way to solve the problem on the scale that's required."

Lori Fena, chairman of the Electronic Frontier Foundation, agreed. "No one wants to pay to babyproof the Net, but everybody is willing to support creating child-safe areas like playgrounds in the real world," she said. "This initiative is the most sane thing I've seen yet — socially, legally and economically."

SITES

- Related sites on the Internet: The Children's Advertising Review Unit of the Council of Better Business Bureaus is at www.bbb.org/advertising/childrensmonitor.html
- Company sites: www.nvolvekids.com parents.html and www.disneyblast.com

Computers Raise Tots' Skills but Can't Build Smarts

By Robert O'Harrow Jr.
Washington Post Service

WASHINGTON — Should you be worried if your 4½-year-old has little or no experience on a personal computer?

Many specialists say it hardly matters whether children begin clicking and clicking away at such an early age. Books, blocks and playgrounds, they say — and lots of time talking with Mom and Dad — still are more important than anything that technology can add to a preschooler's life.

Remember that computers are simply tools that can help children learn, not magic boxes that make them smarter. But if computers are approached the right way, parents and educators alike say they can help impart valuable skills, if approached the right way.

In many cases, that means using computers like a fancy toy, especially with the youngest. Children learn by exploring, building and drawing. Make your personal computer a natural addition to such perennial favorites as crayons, paper, Legos and other staples that children use to create things.

For starters, make shapes or whimsical characters using those ubiquitous paint programs that come with a personal computer's operating software. Print out the results and make up stories about them. As children play, they learn about colors, perspective, rela-



Patrick Lane computing with his son Will, who likes to "sit and watch."

tionships and the computer itself — how to move the mouse, double-click and issue commands.

One technology-savvy parent, Patrick Lane of Maryland, said the paint program had been a source of deep fascination for his son Will, 2½.

"He always likes to sit and watch what I do is tell him what the keys and mouse are for," said Mr. Lane, legislative director for a Washington law firm and founder of a computer center for teachers in his county. "Basically, I let him draw. That's just more of a way

to get him comfortable."

Consider also the variety of multimedia programs that allow young children to cruise through electronic storybooks crammed with words, pictures and song.

Educators at the Center for Children and Technology, a private research center in New York, say that Edmark Corp., Broderbund Software Inc. and other companies are offering an increasing number of programs that encourage young children to explore and teach them to make choices on their own.

"There's a whole host of cool tools that are every bit as interesting as pens and pencils and paper and paint," said Cornelia Brunner, a development psychologist who is assistant director of the center's educational development center. "As a creativity tool, there's great stuff."

Naomi Hupert, a senior research associate at the Center for Children and Technology, warns that too much computer time is not advisable for most young children — they need to play with other things.

Ms. Hupert is ambivalent about expecting young children to play frequently on computers; she has a 5-year-old who has not spent much time on one. She worries that some parents will use computers to distract their children, much the way some use videocassette recorders as baby sitters.

Ms. Hupert also cautions parents not to expect magic from computers and not to use them solely as electronic tutors, unless parents want to turn their children off to the joys of discovery and deeper learning.

Young children learn best by creating and exploring, she says, so it is better not to use a computer as a "skill and drill" machine to prepare them for theoretical math or grammar tests.

"It shouldn't replace parents sitting down and reading to their child," Ms. Hupert said. "An important question to ask is, 'What do you want the computer to do for your child?'"

TECHNOLOGY INDEX

A glance at technology stock indexes around the world

| North America | Tuesday close | % change previous week | % change year to date |
|------------------------|---------------|------------------------|-----------------------|
| Pacific Stock Exchange | 325.24 | +1.34 | +11.94 |
| Technology | | | |
| Standard & Poor's | 786.10 | +1.21 | +12.31 |
| Technology Composite | | | |
| Europe | | | |
| Morgan Stanley | 462.12 | +1.96 | +19.96 |
| Eurotech | | | |
| Asia | | | |
| Topix Electric | 1731.02 | +5.28 | |

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihrt.com>. Articles include:

- Change to Euro Is Ripe for Criminals, Feb. 13
- High-Tech Imaging Reveals Ancient Ruins in Cambodia, Feb. 14-15
- France's Bull to Move Software Center to U.S., Feb. 14-15
- Global One Fires Chief Over Losses, Feb. 14-15
- Games Evolve From Shoot-'Em-Ups, Feb. 16
- Cyberburglars Weave a Web Around Globe, Feb. 16
- Computer Crimestoppers Look for Clues in Reuters Case, Feb. 16
- Computer Firm Faces Hostile Bid, Feb. 16

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to tribtech@ihrt.com.

BRIEFLY

• PRATT & WHITNEY'S GAMBLE: Hoping to regain its once-leading share of the global market for jet engines, Pratt & Whitney announced this week that it would introduce a radical new design that it said would result in a quieter, cleaner, more efficient and more reliable engine than anything now offered by its competitors.

The new engine, which is expected to enter service in 2002, is designed to propel a single-aisle jetliner holding 120 to 180 passengers, like the Boeing 737 or the Airbus A320.

The design employs a gear box that enables the large turbofan, which creates most of a jet engine's thrust, to spin slowly while still letting the turbine that powers it to spin fast. The result is improved fuel economy and less noise.

The new engine is not yet wedded to a specific airplane, a considerable gamble given the \$350 million that the company has spent on development. (NYT)

• SARDINED DISK DRIVES: Seagate Technology Inc. says it has figured out a way to use lasers, microscopic lenses and tiny mirrors to potentially pack 10 to 20 times more

data onto hard disk drives. More important, Seagate said the new mechanism, called Optically Assisted Winchester technology, will allow it to sidestep a huge engineering problem that looms over the \$50 billion data storage industry in the next decade. Disk drives are the main devices that store information permanently inside a computer. (Reuters)

• NEW CD FORMAT? Philips Electronics NV and Sony Corp. plan to jointly license the new Super Audio CD format, which they said could succeed the current CD as the industry standard.

The hybrid disc contains two layers — a fully reflective layer in the conventional CD format, and a semi-reflective layer in a special high-density format, a statement said. The high-density layers offer "ultra-high-quality" stereo sound plus additional channels capable of producing multichannel sound and carrying such additional data as text and graphics, it added.

It includes protection against counterfeiting and piracy, with visible and invisible watermarking on the disks. (AP)



Paul Oteellini, Intel vice president

these things a hell of a lot easier. Ease of use requires more computing power, not less.

The ultimate ease of use is, of course, when nobody wants to deal with computers. You want to be able to talk to the computer in human-like natural language. To be able to have the computer understand your intent, interpret your requests, and not have to be told exactly how to do it. To require three to four times the computing power that's in a PC today is good news if computing power is at that rate.

The other stuff is that I think the commerce is right about us. The I saw was that it's at \$10 billion and excited last year at \$20 billion and there are projections that are \$1 trillion in the next few years.

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Q. What is the name of the person who is the author of the book "The Art of War"?

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As the word "computer" takes on an increasingly broad meaning, the industry is beginning to see some of the same problems that have plagued the computer industry in the past.

History check

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NEW CD FORMAT!

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and carrying such documents. It added, "A reliable protection against forgery and piracy, with visible security markings on the document."

Almaty, June 4-5, 1998

H.E. President Nursultan Nazarbayev will give a keynote address at the Summit.

The lead Summit Sponsor is Hurricane Hydrocarbons Ltd.



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THE WORLD'S DAILY NEWSPAPER

The 2,600 most traded stocks of the day.
 Nationwide prices not reflecting late trades elsewhere
 The Associated Press

11, rue de la Corrairie - 1204 Geneva - Switzerland

By SA

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1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1601 UV-Visible Spectrophotometer. The concentration of chlorophyll was expressed in mg/L.

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Continued on Page 16:

Hong Kong Celebrates New Budget

Stock Market Rises 4% As Corporate Taxes Fall

By Philip Segal
International Herald Tribune

HONG KONG — With the economy and stock market battered by the Asian financial crisis and public optimism at its lowest level since the economic crash of 1983, Hong Kong's cash-rich government announced a balanced budget on Wednesday, featuring lower taxes and a hold-the-line stance on the territory's fixed-exchange rate.

Real estate and banking stocks — the lifeblood of Hong Kong's market — surged as the budget proposed a 3 percent cut in the tax on corporate profits and a new annual deduction worth 100,000 Hong Kong dollars (\$12,900) on residential mortgages. The measures are designed to revive the moribund real estate market, which has been pummeled by high interest rates. Allowances on personal taxes for most residents here will rise by 8 percent.

The budget, the first since Britain handed the colony back to China last July 1, featured spending increases on housing and education.

In the past, China has criticized Hong Kong's financing of social programs, not wanting the colony's reserves drawn down.

The budget for the year beginning April 1 came as a new poll, released by the University of Hong Kong, said that 93 percent of respondents thought economic conditions had deteriorated since Hong Kong came under Chinese rule. The event that set off Asia's currency crisis, the devaluation of the Thai baht, came just a day after Hong Kong returned to Chinese sovereignty on July 1.

With its tax cuts, the budget was "better than expected," said Philip Niem, head of research at brokerage HSBC James Capel. The budget helped the benchmark Hang Seng index rise 4.3 percent, to 10,670.95.

In the budget, Financial Secretary Donald Tsang sought to deal with an economy facing its worst financial crisis since 1983, when the Hong Kong dollar crashed, and banks failed amid a panic caused by the news that Britain had agreed to hand Hong Kong back to China in 1997. At the time, fixing the Hong Kong dollar to the U.S. dollar helped stabilize Hong Kong. Now, however, this currency link has sent property prices plunging by as much as 40 percent in four months as the government has more than doubled interest rates to protect the currency.

Mr. Tsang predicted Hong Kong's economy would grow by 3.5 percent this year once inflation was taken into account, which is rosier than the predictions of many private economists.

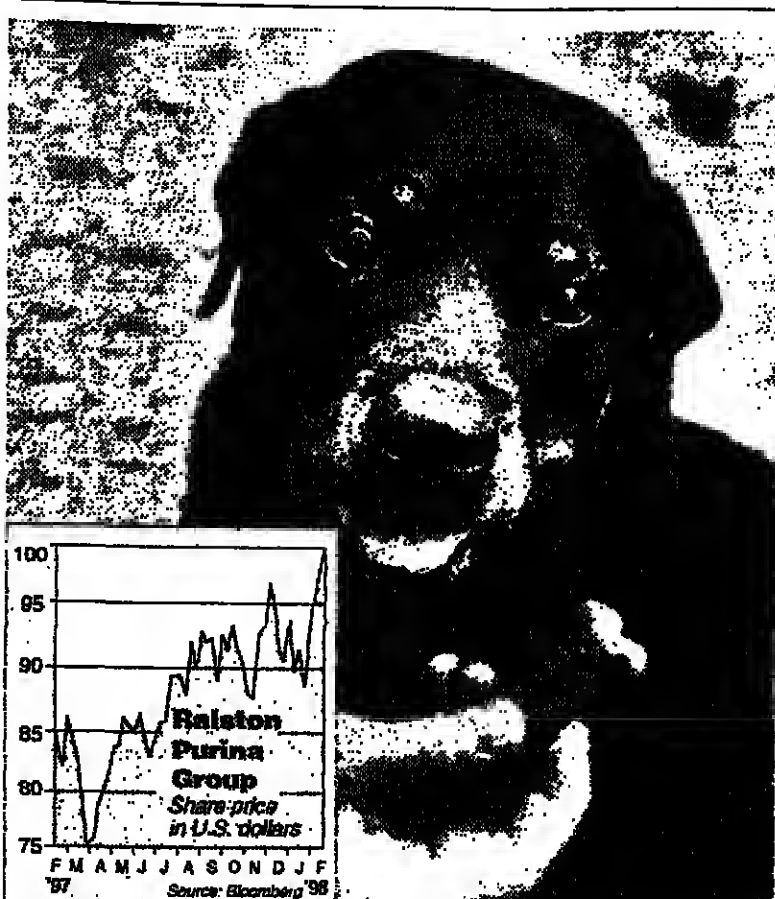
One of the most keenly anticipated parts of the budget speech, delivered by Mr. Tsang in the Provisional Legislative Council, dealt with the fixed exchange rate. There had been widespread speculation that the government might introduce changes to the way the government defends the currency, but there were none in the budget.

"The system has been working as designed," Mr. Tsang said. "Devaluation is not a way out. Everything we manufacture we make with imported products. Almost everything we consume we import. Devalue today, and tomorrow all those imports would cost us more."

Mr. Tsang also drew attention to the fact that 85 percent of Hong Kong's trade is now in services, where the fixed exchange rate has made Hong Kong's wages, rents and property prices seem higher than elsewhere in Asia. To stay competitive, Hong Kong residents have been told that property prices will have to fall, although the government indicated last week that it will try to cushion the market from falling too far, lest it set off a banking crisis.

The budget also calls for an increase of 52 percent in spending on housing, in an effort to meet the target of 85,000 new apartments per year from 1999. Half of Hong Kong's residents live in public housing.

WALL STREET WATCH



Some say splitting the company would be a tasty reward for investors.

Purina: Pulling Itself Out of the Doghouse

Analysts Say Battery Spin-Off Would Help

By Dana Canedy
New York Times Service

NEW YORK — Pet owners love Ralston Purina Co.'s canine and feline cuisine. So why do some investors consider its stock a dog? One problem is a lack of good information. The only high-profile member of Ralston Purina's team is the pesky pink bunny that promotes its Energizer batteries, the company's other business.

Management rarely talks to analysts, and Wall Street does not know what to make of quirky Ralston Purina, which has two chief executives to cover its disparate product lines.

Steve Galbraith, who follows the company for Sanford C. Bernstein & Co., said, "They run their investor-relations program like the Kremlin. A lot of stuff goes in, but not a lot of stuff comes out."

William Stirtz, the longtime chief executive of the company, participated in only two conference calls with investors during his tenure, according to analysts. One was to announce his appointment in 1981, and the other was to announce his retirement last year. In the second one, Mr. Stirtz, who is still chairman, named two chief executives as his replacements, one for the pet-food business and one for the battery business. That could be a prelude to a split into two public companies that many analysts see as a potentially lucrative move.

These two individual divisions on their own might garner some higher valuation and investor interest," said Steven Bregman, president of Horizon Asset Management and the author of the Spinoff Report, a newsletter. "Companies, even with market-leading businesses but otherwise unrelated, for some reason trade at a discount to where they would be if each traded separately."

Ralston Purina has been jettisoning smaller divisions for several years and next month will spin off its agricultural-products business. Excluding that unit, the company's \$4.5 billion in annual revenue is split about evenly between batteries and pet food.

Company officials did not return phone calls seeking comment.

T. Rowe Price, the mutual-fund company, has a big stake in Ralston Purina and supports its decision to

focus on batteries and pet food while shedding everything else, from baby food to ski-resort operations.

"Both businesses are reasonably attractive in that one has a major leading position and the other has a No. 2 position," said Arthur Cecil, an analyst with T. Rowe Price. The pet-food business has benefited from premium products with high margins, while Energizer batteries have held their own against Duracell, the market leader.

Ralston Purina, whose stock rose 87.5 cents Wednesday to close at \$99.8125, has been trading at about 28 times its earnings for the past four quarters, a premium to the Standard & Poor's 500-stock index, which is at roughly 25 times earnings.

But Colgate-Palmolive Co., maker of Hill's Science Diet pet food, is trading at 32 times earnings, and Gillette Co., the parent of Duracell, is trading at 40 times earnings. Both Colgate-Palmolive and Gillette have a wide variety of products, making it difficult to conclude exactly what kind of premium Ralston Purina's businesses could fetch.

But a split would probably be welcomed by shareholders. Over the past five years, Ralston Purina's stock has risen 127 percent, but that trails the 135 percent gain by the S&P 500.

Most recently, its stock has been buffeted by questions about whether Asia's troubles will depress profits. Ralston Purina has about half of the battery market in Asia, and its sales there account for about 12 percent of its revenue and 14 percent of its profit.

Ralston Purina warned investors in a recent regulatory filing that it expected weakened Asian markets to have a significant negative impact on future earnings. The company reported a 20 percent increase in earnings from continuing operations for the quarter ended in December.

The company also has shown signs of changing its insular culture. Executives have agreed to answer investor questions at a conference of New York consumer-stock analysts this week.

"I think Ralston is transforming from the Bill Stirtz era," said John McMillin, who follows the company for Prudential Securities. "Even though I get the feeling that Stirtz is still controlling the strings to some extent."

Seoul Stocks Get a Lift From S&P

Ratings Concern's Upgrading Follows an IMF Vote of Confidence

Compiled by Our Staff From Dispatches

NEW YORK — Standard & Poor's Corp. upgraded South Korea's foreign and local currency ratings Wednesday to reflect what it said was progress in implementing economic reform.

The move came a day after the International Monetary Fund gave Seoul a good report card on its reform efforts.

The votes of confidence helped lift the benchmark Kospi stock index 3.39 percent, to 487.73 points. But the country's currency still fell, as the dollar rose to 1,688 won from 1,620.5 won the day before. Traders said concerns about Asia's financial crisis were keeping the outlook uncertain for the won. Indonesia's troubles have been a drag on the won in recent days.

"Korean markets — not the stock market — see the difficulties ahead, and

that's why the won has been weakening," said Henry Morris, a veteran securities analyst in Seoul. "There is a realization that economic recovery is going to take a long time to sort out."

The International Monetary Fund gave South Korea good marks Tuesday in Washington at its first quarterly review of the country's progress under the IMF rescue program.

The Fund's board of directors voted to immediately release another \$2 billion to South Korea, bringing the total aid loans released to Seoul to date by the IMF to \$15 billion.

The board expressed approval of steps Seoul has taken so far to bolster its struggling economy, an IMF official said.

The IMF in December arranged a record \$58.35 billion bailout of South Korea. Of the total, the IMF pledged

\$21 billion, with roughly \$37.35 billion in loans to come from the Asia Development Bank, the World Bank and national lenders.

South Korea's economic growth in 1998 will be 1 percent, according to revised macroeconomic targets released in the quarterly review. (AFP Reuters)

■ Seoul to Cut Civil Service Jobs

A South Korean committee said the new government of President-elect Kim Dae Jung planned to trim the civil service by nearly 11 percent over the next three years, Reuters reported from Seoul.

It said 17,612 jobs out of a total of 161,855 would go. The cuts would not include teachers and police personnel. Those to be dismissed included 90,501 public servants in main state offices and 71,354 postal and railroad workers.

It's the Olympics for Marketing, Too

Nagano Seeks to Make Its Commercialism More Tidy Than Atlanta's

By Ted Anthony
The Associated Press

NAGANO, Japan — The bookstore clerk was polite but adamant.

Yes, there was an American Express card logo on the front window. Yes, he usually accepted American Express. But Visa was an official Olympic sponsor, and trafficking in AmEx-charged books during these weeks simply would not do.

An extreme example, yes. But it speaks to the marketing philosophy behind the 1998 Winter Olympics.

The credo appears to be: No sponsor shall go unnoticed, no sponsor's logo unrecognized, no sponsor's product unsampled by the human hordes who have converged upon Nagano.

These Olympics have reflected the Japanese corporate aesthetic — all-encompassing but organized, no unlicensed renegades running rampant and a marketing philosophy pegged to huge corporations and some of the world's most recognizable logos.

"We want to be simple, but effective," said Ko Yamaguchi, the National Olympic Organizing Committee chief spokesman.

Effective, undoubtedly. But simple?

The reality of marketing, sponsorship and advertising in Nagano is an intricate blend of corporate goals, Olympic ideals and, above most anything, a desire to avoid a repeat performance of the 1996 Games in Atlanta.

On one hand, it is impossible to spend an hour in Nagano without being besieged by the hyproducts of \$212 million worth of sponsorship. It is commercialism writ humongous.

Giant corporate signs adorn walls, buildings, buses. IBM's "Info '98" terminals connect journalists, athletes and spectators to crucial Olympic data. Coca-Cola is distributing free drinks all over town. McDonald's boasted this morning that it has served 75,000 Big Macs in the Olympic Village and the main press center alone.

Mizuno, Kodak and Kirin Beer have opened logo-adorned pavilions near the train station; Kodak is handing out 126,000 rolls of film to photojournalists. Amway and UPS are trying to make major international inroads.

Yet neither is this Atlanta. There, thickets of street vendors — hawking anything from \$3 bottles of water to purple cotton candy to an abundance of fake Olympic merchandise — drew complaints of tawdriness and annoyed

fans, sponsors and officials all the way up to the International Olympic Committee chief, Juan Antonio Samaranch.

It was a message Nagano apparently heard.

"In Atlanta, you felt everyone was looking to make a dollar — from street vendors to city government to the organizing committee," said David D'Alessandro, president of John Hancock Mutual Life Insurance Co., an Olympics "Worldwide Partner."

"Here, you feel these people are trying to be your hosts," D'Alessandro said. "Nagano is bending over backwards to be the anti-Atlanta."

The difference may simply be in scope, though, because the Olympics, virtually everyone agrees, would be in real financial trouble without its major sponsors.

Though few independent hawkers besides pin sellers and ticket scalpers are working Nagano's streets, 11 companies, including Coca-Cola, Visa, McDonald's and IBM, are "Worldwide Partners" with marketing rights for one Summer Olympics and a Winter Olympics. Eight more, including Mizuno, Seiko, Kirin, Toyota and Am-

See SPONSORS, Page 18

On Thursday, April 30, 1998,
to mark the 50th anniversary of the independence of the State of
Israel, the International Herald Tribune
will publish a Special Report on

ISRAEL at 50

BY THE TIME people or nations reach the age of 50, there is usually a sense of certainty about them; they have an image of themselves as mature, established, maybe even comfortable. But Israel is very much still a work in progress; a country of extraordinary achievements and unresolved problems; a tiny country that has nevertheless held the world's center stage for all of its turbulent childhood, adolescence and now adulthood.

To take the measure of Israel as it turns 50, the IHT has assembled a distinguished group of journalists, historians and politicians.

Glenn Frankel, the Pulitzer-Prize winning Washington Post correspondent and author of "Beyond the Promised Land," will provide an overview assessment of how much progress Israel has made in resolving the internal contradictions and external challenges that have confronted, and still confront, the Jewish state.

Tom Segev, the Israeli historian, journalist and author of the widely acclaimed history "The Seventh Million," will scan the record of these past 50 years, examining the creation and evolution of the country's identity, the role of Zionism, the conflicts and quests for peace with the Arabs within and outside Israel's borders.

Zeev Chafets, the novelist and popular columnist for the Jerusalem Report, will provide a glimpse into daily life in Israel today.

Joseph Joffe, the columnist and Editorial Page Editor of the Sueddeutsche Zeitung, and John Goshko, the United Nations correspondent of The Washington Post, will take a look at two of Israel's closest and most interesting relationships; one with Germany and the other with America's Jewish community.

Joseph Fitchett, the IHT's political and security correspondent, will evaluate the regional balance of power in the Middle East and how that might shape Israel's future.

Dr. Sari Nusseibeh, the well-known Arab scholar and author, and president of the Al-Quds University in East Jerusalem, will write about life today and hopes for tomorrow for Palestinians in Israel, the West Bank and the Gaza Strip.

Neal Sandler, an economic correspondent, will examine Israel's evolution from low-tech to high-technology center, looking at the state of its high-tech industries and their overall impact on the economy.

For more information about advertising in this Special Report, please contact Bill Mahder in Paris at (33-1) 41 43 93 78 or fax (33-1) 41 43 92 13 or e-mail: supplements@iht.com.

Herald Tribune

THE WORLD'S DAILY NEWSPAPER

www.iht.com

THE AMERICAS

Best of Both Worlds: A Strong Economy, Low Inflation

Steady Outlook for Profits Fuels Stocks

NEW YORK — Stocks scored another record Wednesday as investors bought shares of companies that would be expected to post consistent earnings growth even as the economy slowed.

"People are paying up for stocks that you can feel are steady and dependable for earnings this year," said George Wild, director of research at Heartland Capital Management in Indianapolis.

The Dow Jones industrial average rose 52.56 points to close at 8,451.06. The Standard & Poor's 500 Index rose 9.29 to 1,032.05, led by drugmakers and credit-card companies. The Nasdaq composite index rose 12.22 to 1,715.65.

U.S. bond prices fell as traders sought more evidence that Asia's slowdown was dragging on the U.S. economy, while companies prepared to sell about \$4 billion in debt with borrowing costs near record lows.

The benchmark 30-year Treasury bond was priced at 104 1/32, down 16/32, taking the yield up to 5.83 percent from 5.79 percent.

Despite the increase in bond yields, banks with credit-card business gained on expectations that lower interest rates would ease concerns that consumers might fall behind in their payments.

As rates fall, consumers are refinancing their mortgages, and they can use the cash they get from the refinancing to keep current on their credit-card bills, CIBC Oppenheimer analyst Steven Eisman said.

He raised his rating on Chase Manhattan Corp., which rose 3/4 to 121 1/4. Citicorp fell 1/16 to 127 11/16. MBNA rose 3/4 to 35 1/16, and Household International climbed 3/4 to 141 1/4.

Sears Roebuck, for one, is not seeing the benefits of lower rates. The retailer said its credit-card profit would decline 20 percent in 1998 because more customers were falling behind on payments.

Microsoft gained 1/4 to 154 1/4. Computer stocks have outperformed the market this year on expectations that profits will grow faster in that industry than for companies overall.

Hewlett-Packard rose 1/4 to 63 1/4, although the company said quarterly net income rose less than expected as falling prices for printers cut profit from strong sales of personal computers.

Steelcase climbed 5/8 to 33 1/4.

U.S. STOCKS

Rapids, Michigan, originally expected to sell the shares for \$23 to \$26 each.

Nike Class B shares rose 1/4 to 44 1/4 amid rumors that Warren Buffett's Berkshire Hathaway Inc. was buying more stock in the sneaker and apparel maker. Berkshire Hathaway already

has about a 2 percent stake in Nike. HomeUSA climbed after the Houston-based mobile-home retailer agreed to be purchased by Fleetwood Enterprises for \$162 million, or \$10.25 a share, in cash or stock.

Xenova rose after the London-based pharmaceutical group formed an alliance with Eli Lilly to develop a blood-clot-inhibiting drug suitable for chronic use. Xenova and Meta-Xen, its majority-owned U.S. unit, will each receive as much as \$35 million in license fees and research funding. (Bloomberg, AP)

Flat Interest-Rate Outlook Hurts Dollar

NEW YORK — The dollar fell against other major currencies Wednesday on reinforced expectations that the Federal Reserve Board would not raise U.S. interest rates soon.

The yen rose against the dollar after a Japanese Finance Ministry official was quoted as saying Tokyo would not tolerate a weaker yen.

In 4 P.M. trading, the dollar fell to 126.380 yen from 126.565 yen Tuesday and to 1.8215 Deutsche marks from 1.8253 DM as a government report showed a big drop in U.S. producer prices.

"Numbers like this show inflation isn't a significant concern," said James McGroarty, chief currency manager at Pntomac Babson Inc. "The Fed is on hold and isn't going to change rates."

The dollar also fell to 1.4710 Swiss francs from 1.4727 francs and to 6.1072 French francs from 6.1200 francs.

The pound rose to \$1.6380 from \$1.6330.

The Jiji Tsushin-Sha news agency quoted an unidentified Japanese Finance Ministry official as saying the government would take action to

stop the yen from extending the weeklong slide that had weakened it by nearly 3 percent.

The remark fanned concern that finance ministers of the Group of Seven leading industrialized nations might consider efforts to bolster the yen at their weekend meeting in London.

In Japan, growing doubts that a government package of economic measures to be released Friday would lift the country out of a seven-year slump weighed on the yen.

"The arguments are right that Japan won't do enough soon enough," said Gerard Lyons, chief economist

Prices Fall as Home-Building Thrives

WASHINGTON — A steep decline in energy costs pushed prices at the wholesale level down 0.7 percent in January, the biggest nine-month drop in more than four years, the Labor Department said Wednesday.

The producer-price index, which measures prices before they reach the consumer, was held down by a 3.7 percent fall in energy prices, the

biggest drop since a 5 percent decline in February 1991, at the end of the Gulf War.

"The best of all possible worlds continues to get better," said Robert Dederick, an economic consultant with Northern Trust Co. in Chicago.

"We remain with an economy that is both strong and inflation-free."

The figures bolstered the belief held by many analysts that the Federal Reserve Board would not raise interest rates soon.

Despite the fact that a robust economy has pushed unemployment to the lowest levels since the early 1970s, inflation measured by the producer-price index and the more closely watched consumer-price index has been well behaved.

In a second report, the Commerce Department said that construction of new homes and apartments remained at an annual rate of 1.5 million units in January. That was down 0.3 percent from the previous month, but December's performance had been revised sharply higher, from a decline of 0.8 percent.

The government said that construction of new homes and apartments actually rose 1 percent in December.

Cynthia Latta, an economist at DRI-McGraw Hill, said she thought the Fed's next move would be to opt rates in late summer to counteract the impact of the Asian crisis on the U.S. economy.

"That assumes we will have a slowdown in economic activity between now and then," Ms. Latta said. "At this point, it hasn't happened."

For all of 1997, wholesale prices fell 1.2 percent, and consumer prices rose just 1.7 percent. Many economists predict inflationary pressures will remain moderate this year, as the U.S. economy is flooded with Asian imports made cheaper by steep declines in Asian currencies.

The 0.7 percent decline in wholesale prices in January was the biggest decrease since a 1 percent fall in August of 1993, a dip that occurred because of falling tobacco prices.

The 3.7 percent decline in energy prices was the biggest drop in a four-month string of energy declines. Analysts have noted that the energy prices declines have continued even with growing worries of a possible outbreak of war with Iraq.

Excluding the volatile energy and food categories, the so-called core rate of inflation fell 0.1 percent, matching the December decline. For all of 1997, core prices at the wholesale level were up 0.7 percent, their best showing on record. (AP, Bloomberg)

at DKB International. "But I wouldn't push the dollar higher ahead of the G-7."

Meanwhile, traders said they expected to continue favoring the U.S. currency over the mark in coming weeks amid a belief that German leading rates are on hold. The Bundesbank encouraged that perception, saying in a monthly report that exports had slowed and inflation was in check.

"The dollar is well underpinned," said Jeremy Stretch of NatWest Markets, "with the U.S. economy still going strong, while Germany isn't performing well, and export growth isn't expected to feed through into the domestic economy."

The Bundesbank said it saw no risk of inflation or deflation in the German economy. Steady Bundesbank interest rates would maintain the gap between U.S. and German rates that favors the dollar and helped lift it 17 percent against the mark last year.

Mr. Schacht, who was hired by AT&T to lead Lucent after the spin-off, will be chairman of the investment fund. John Hanley, Lucent's vice president in charge of strategy, will be managing general partner. (Bloomberg, Reuters)

Lucent's stock rose \$5.125 to close at \$97.6875. The company went public at \$27 a share.

Mr. Schacht, who was hired by AT&T to lead Lucent after the spin-off, will be chairman of the investment fund. John Hanley, Lucent's vice president in charge of strategy, will be managing general partner. (Bloomberg, Reuters)

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Investor's America



| Exchange | Index | Wednesday's Close | Change |
|-------------------------|----------|-------------------|--------|
| U.S. The Dow | 8451.06 | 8451.06 | +52.56 |
| U.S. S&P 500 | 1032.05 | 1032.05 | +9.29 |
| U.S. S&P 100 | 494.11 | 494.11 | +0.93 |
| U.S. NYSE Composite | 537.22 | 537.22 | +8.88 |
| U.S. Nasdaq Composite | 1715.65 | 1715.65 | +12.22 |
| U.S. AMEX Composite | 682.50 | 682.50 | +7.19 |
| Toronto TSE Index | 6444.50 | 6444.50 | +4.79 |
| Sao Paulo Ibovespa | 10020.00 | 10020.00 | +10.00 |
| Mexico City Bolsa | 4543.31 | 4543.31 | +4.00 |
| Buenos Aires Merval | 685.31 | 685.31 | +0.31 |
| Santiago IPSA General | 4366.50 | 4366.50 | +49.00 |
| Caracas Capital General | 7116.23 | 7116.23 | +2.00 |

Source: Bloomberg, Reuters International Herald Tribune

Very briefly:

- Limited Inc. will close 200 Limited, Lerner, Lane Bryant and Express stores through lease expirations during 1998 as it revamps its women's divisions. The retailer also plans to shed its 84 percent stake in Abercrombie & Fitch Co. through an exchange offer to shareholders.
- Softbank Corp. plans to sell shares of its Ziff-Davis Inc. publishing unit to the public in April, a move that could raise \$460 million that the Japanese computer-software distributor could use in service its debt.
- Campbell Soup Co. said it would sell its can-making business to Silgan Holdings Inc. for \$125 million, increase the target for its cost-cutting program to \$150 million from \$100 million, and take an unspecified charge in its third quarter as it tightened its focus on its core soups, cookies and crackers businesses.
- Comptroller of the Currency Eugene Ludwig told U.S. bankers they needed to tighten their lending standards and resist pressure to quickly turn around funds flowing in from Asia.
- Netscape Communications Corp. said its Netscape on-line service has surpassed 3 million members, making the company's Internet site more attractive to a prospective buyer.
- Dart Group Corp. bought back shares held by Ronald Haft, a member of the company's founding family, ended its dual-class common-stock structure and adopted a shareholder rights plan.

Visa International's CEO to Retire

SAN FRANCISCO — Visa International Inc. said Wednesday that its president and chief executive, Edmund Jensen, would retire at the end of the year to focus on business ventures and investments, and to do volunteer work.

Mr. Jensen, 60, headed the largest bank-card group for four years, after serving as a board member. Mr. Jensen and Peter Ellwood, the board chairman, will search for a replacement.

AMEX

Wednesday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

| Stock | Sales | High | Low | Latest | Chg |
|------------------------|-----------|--------|--------|--------|-------|
| IBM | 1,234,567 | 120.50 | 119.75 | 120.00 | +0.25 |
| Microsoft | 987,654 | 154.50 | 153.75 | 154.00 | +0.25 |
| Apple | 765,432 | 125.00 | 124.25 | 124.50 | +0.25 |
| Oracle | 654,321 | 85.00 | 84.25 | 84.50 | +0.25 |
| Sun | 543,210 | 75.00 | 74.25 | 74.50 | +0.25 |
| HP | 432,109 | 65.00 | 64.25 | 64.50 | +0.25 |
| Intel | 321,098 | 55.00 | 54.25 | 54.50 | +0.25 |
| Motorola | 210,987 | 45.00 | 44.25 | 44.50 | +0.25 |
| Texas Instruments | 109,876 | 35.00 | 34.25 | 34.50 | +0.25 |
| Advanced Micro Devices | 98,765 | 25.00 | 24.25 | 24.50 | +0.25 |
| Linear Technology | 87,654 | 15.00 | 14.25 | 14.50 | +0.25 |
| Maxim Integrated | 76,543 | 10.00 | 9.25 | 9.50 | +0.25 |
| National Semiconductor | 65,432 | 8.00 | 7.25 | 7.50 | +0.25 |
| Rockwell International | 54,321 | 6.00 | 5.25 | 5.50 | +0.25 |
| Western Digital | 43,210 | 4.00 | 3.25 | 3.50 | +0.25 |
| Seagate Technology | 32,109 | 3.00 | 2.25 | 2.50 | +0.25 |
| 3M | 21,098 | 2.00 | 1.25 | 1.50 | +0.25 |
| Eastman Kodak | 10,987 | 1.00 | 0.25 | 0.50 | +0.25 |
| Johnson & Johnson | 9,876 | 0.80 | 0.75 | 0.75 | 0.00 |
| Pfizer | 8,765 | 0.60 | 0.55 | 0.55 | 0.00 |
| Merck | 7,654 | 0.50 | 0.45 | 0.45 | 0.00 |
| Novartis | 6,543 | 0.40 | 0.35 | 0.35 | 0.00 |
| Schering-Plough | 5,432 | 0.30 | 0.25 | 0.25 | 0.00 |
| Amgen | 4,321 | 0.20 | 0.15 | 0.15 | 0.00 |
| Genentech | 3,210 | 0.10 | 0.05 | 0.05 | 0.00 |
| Regeneron | 2,109 | 0.05 | 0.04 | 0.04 | 0.00 |
| Amgen | 1,098 | 0.03 | 0.02 | 0.02 | 0.00 |
| Genentech | 987 | 0.02 | 0.01 | 0.01 | 0.00 |
| Regeneron | 876 | 0.01 | 0.00 | 0.00 | 0.00 |

U.S. STOCK MARKET DIARY

Indexes

Most Active

NYSE

Nasdaq

AMEX

Dow Jones Bond

Trading Activity

NYSE

Nasdaq

AMEX

Market Sales

NYSE

Nasdaq

AMEX

Dividends

Company

Per Amt

Rac

Poy

Company

INITIAL

Per Amt

Rac

Poy

Feb. 18, 1998

High Low Latest Chg Opt

Grains

SOYBEAN (CBOT)

WHEAT (CBOT)

CORN (CBOT)

SOYBEAN MEAL (CBOT)

SOYBEAN OIL (CBOT)

WHEAT (CBOT)

CORN (CBOT)

SOYBEAN (CBOT)

WHEAT (CBOT)

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INTERNATIONAL FUTURES

High Low Latest Chg Opt

10-YEAR FRENCH GOV. BONDS (CME)

10-YEAR ITALIAN GOV. BONDS (CME)

10-YEAR JAPANESE GOV. BONDS (CME)

10-YEAR U.S. GOV. BONDS (CME)

Low Inflation

Home-Building Thrives

Home-building has thrived since a 5 percent drop in February 1991, after the Gulf War.

The best of all possible worlds is a low inflation rate, and the U.S. economy is enjoying it. Home-building is thriving, and the U.S. economy is enjoying it.

U.K. Hoping to Build a Bridge for the G-7

By Tom Buerkle
International Herald Tribune

LONDON — International discussions about employment tend to degenerate quickly into shouting matches between British-American proponents of labor-market deregulation and continental European defenders of social cohesion.

Survey Shows Bearish Mood in Germany

Compiled in Our Staff From Dispatches

FRANKFURT — Germany's Ifo Institute for Economic Research said Wednesday that its main business climate barometer fell in January, and analysts said the drop reflected continued mild concern about the crisis in Asia.

Spain: Europe's Biggest Job Creator

Reuters

MADRID — Spain created tens of thousands of jobs in the final quarter of last year, statistics released Wednesday showed, making it one of the best performers in Europe at battling high unemployment.

France Opens Bids for Insurer

Bloomberg News

PARIS — The government invited bids Wednesday for Groupe des Assurances Nationales SA, launching the sale of one of France's last state assets in the financial industry.

Failure to Win EU Approval Costs Samsung

Compiled in Our Staff From Dispatches

BRUSSELS — The European Commission fined Samsung Electronics Co. \$3,000 European currency units (\$3,800) for failing to consult it before buying another company.

Investor's Europe

Frankfurt DAX London FTSE 100 Index Paris CAC 40



Very briefly:

Volvo AB's fourth-quarter profit fell 39 percent, to 1.11 billion Swedish kronor (\$136.9 million), as tax charges tripled. Sales rose 24 percent, to 52.68 billion kronor. The carmaker, which has cash reserves of 19.10 billion kronor, quelled speculation it might give some of that back to shareholders by saying it needed to be prepared for potential acquisitions.

Mediaset SpA, the Italian media company controlled by former Prime Minister Silvio Berlusconi, is discussing an alliance with News Corp. of Australia as part of a drive to sell more television programs abroad and expand into satellite broadcasting and pay-TV.

Deutsche Bank AG's 1997 net profit dropped 57 percent, to 956 million Deutsche marks (\$26 million) from 2.20 billion DM, as the bank set aside 4 billion DM to cover its exposure to the Asian financial crisis and to pay for a three-year reorganization during which the bank plans to shed 9,000 jobs.

Usinor SA, France's largest steelmaker, said net profit rose 38 percent last year, to 2.06 billion francs (\$337.9 million). Sales rose just 1 percent, to 72 billion francs, but the company said revenue from continuing operations rose 7 percent. The company expects this year's first-half profit to show a "significant" increase.

Groupe Bull, the French computer and software company, said second-half profit fell 45 percent, to 539 million francs, as it took a charge of 129 million francs to create a Europeanwide sales force and set aside money to create a software division based in the United States. The company said it soon would announce the hiring of an American as head of its software division.

Britain's Audit Commission conducted a survey indicating that computer fraud and abuse was on the increase in the country, with 45 percent of public- and private-sector organizations polled saying they had suffered from some form of interference with their computer systems, compared with 36 percent three years ago.

Bloomberg, Reuters, AFP

EUROPE

U.K. Hoping to Build a Bridge for the G-7

By Tom Buerkle
International Herald Tribune

LONDON — International discussions about employment tend to degenerate quickly into shouting matches between British-American proponents of labor-market deregulation and continental European defenders of social cohesion.

But Britain's chancellor of the Exchequer, Gordon Brown, hopes to bridge the divide this weekend when he is host to a Group of Seven meeting of finance and labor ministers in London. Russia will join in the talks between the United States, Britain, Germany, Italy, France, Canada and Japan.

Mr. Brown's willingness to acknowledge the darker side of Britain's employment record, as well as his ambitious plans to help the country's long-term unemployed and working poor, could provide common ground for the opposing policy camps.

In an interview with his Treasury office, Mr. Brown said he was determined to reject both "Anglo-Saxon triumphalism" about the benefits of labor-market deregulation and "the old European complacency" toward unemployment.

Governments, he said, need to embark on a broad array of reforms, including improved education and training to help people to get the skills needed in today's job market and an overhaul of tax and welfare benefits to encourage work rather than welfare.

Success will not come quickly or cheaply, he said. "You've got to look at the long-term change in the culture of your society."

Among other points in the interview, Mr. Brown dismissed suggestions of serious differences on European monetary union between himself and Eddie George, who was reappointed as governor of the Bank of England on Wednesday by the government.

Mr. George has recently expressed major concerns about Europe's preparedness for the euro, but Mr. Brown insisted that he endorsed the government's policy of basing a decision on British entry on five economic tests to be applied around 2002.

He also said that, when finance ministers meet Saturday to discuss the current situation in Asia, he would seek to develop proposals for greater openness in economic policy to prevent future crises.

"Some of the problems we have seen over the past few months could have been avoided if we had the kind of transparency we are proposing," he said.

The Asian crisis threatens to overshadow the employment discussions, both in terms of ministerial and media attention and in the real world.

Economists estimate that Asia's downturn will reduce Europe's growth rates by as much as half a percentage point this year. That is about equal to the increase in Britain's long-term growth potential that Mr. Brown hopes to achieve with his labor and welfare reforms.

The Asian effect "will mean the economy will be growing below productive potential, and that will mean unemployment will start to rise," said Bill Callaghan, chief economist of the Trades Union Congress, the voice of Britain's organized labor.

Still, Mr. Brown said his reforms were for the long term and would "modernize the welfare state around the work ethic." His concern is that 20 percent of Britain's households, comprising more than 7 million people, do not have an adult with a job.

His policy includes a training-incentive program to get 250,000 of the long-term unemployed back to work.

Failure to Win EU Approval Costs Samsung

Compiled in Our Staff From Dispatches

BRUSSELS — The European Commission fined Samsung Electronics Co. \$3,000 European currency units (\$3,800) for failing to consult it before buying another company.

The fine, the first time the executive body of the European Union has punished a company for failing to submit its plans for clearance in due time, was seen as a warning to companies not to ignore the EU's fair competition rules.

The penalty is relatively low because the South Korean company's infringement of EU laws appeared to be unintentional and Samsung had since cooperated with EU authorities, the commission said.

"Samsung is an important company with significant activities in Europe and must be considered to be aware of EU merger control rules," it said.

Under EU rules, the body reviews all major mergers and takeovers that affect EU markets. It can veto or order changes in those it determines would unfairly distort competition.

Samsung took control of AST Research Inc. of California in early 1996 but did not request EU approval until April 1997.

Under EU rules, a company can be fined from 1,000 Euros to 50,000 Euros if it fails to request approval within one week of the conclusion or announcement of a merger or acquisition. The commission can also impose a penalty of up to 10 percent of worldwide revenue when a deal is implemented without its prior consent.

(Reuters, AP)

Volvo Buys Samsung Unit

Volvo AB said Wednesday that its construction division had agreed to buy Samsung Heavy Industries Co.'s construction equipment business for an undisclosed sum, Bloomberg News reported from Gothenburg, Sweden.

Included in the acquisition is the Korean distribution operation and a plant in Changwon.

The unit, which makes excavators, earthmovers and cranes, had sales of \$700 million last year.

Samsung Group, the second-largest conglomerate in South Korea, with 80 companies at the end of 1997, said last month that it would shed all its businesses outside three core activities, including semiconductors.

Survey Shows Bearish Mood in Germany

Compiled in Our Staff From Dispatches

FRANKFURT — Germany's Ifo Institute for Economic Research said Wednesday that its main business climate barometer fell in January, and analysts said the drop reflected continued mild concern about the crisis in Asia.

Although economic turmoil in Asia would increasingly dampen export sales, German exports would continue to be the main engine of growth for the economy in the next few months, another report, from the DIW economics institute, said.

"The export dynamic will exceed the development of domestic demand in coming months," the DIW said. "Risks might arise from the Asian crisis though."

Meanwhile, the West German business climate index stood at 99.3 in January, down from 99.6 in December and well below expectations of 99.5. Forecasts had ranged from 99.0 to 100.4.

Olaf Weeken, economist at IDEA in London, said the figures confirmed the recent picture of twinges of concern in the German economy about the impact of the Asian crisis on exports, although only limited effects are being felt so far.

"The index is worth watching, though, in terms of the current Asian crisis. We have seen some improvement in domestic orders but whether this can compensate for falling foreign orders is unclear," he added.

Separately, the Federal Statistics Office said Wednesday that Germany's trade surplus expanded to 12.3 billion Deutsche marks (\$6.74 billion) in December from a surplus of 7 billion DM a year earlier.

Exports stood at 77.4 billion DM in December, up 17.2 percent from the level a year ago of 66 billion DM. Imports rose 10.2 percent to 65.1 billion DM from the December 1996 level of 59 billion DM.

The Bundesbank said Wednesday that Germany's public-sector deficit narrowed markedly in 1997 as savings offset weak tax revenues, high unemployment and the abolition of wealth tax.

The combined deficit of central government, federal states and municipalities fell by about 20 billion DM in 1997 from its 1996 level of just over 120 billion DM.

(Reuters, Bloomberg)

France Opens Bids for Insurer

Bloomberg News

PARIS — The government invited bids Wednesday for Groupe des Assurances Nationales SA, launching the sale of one of France's last state assets in the financial industry.

The Finance Ministry, which set a deadline for bids of May 7, said it would sell 87.1 percent of the company by the end of June, the deadline set by the European Union last year in return for approval of a rescue package for GAN, France's fifth-largest insurer. The rest will be offered to GAN employees and management, the ministry said.

The sale comes amid a flurry of mergers and acquisitions in the European financial industry ahead of the planned introduction next year of the euro, the EU's common currency.

GAN had a loss of 5.6 billion francs (\$920 million) in 1996, its third year of losses. In July, the EU authorized the state to give GAN aid of 24 billion francs in return for selling it.

WORLD STOCK MARKETS

| Wednesday, Feb. 18 | High | Low | Close | Prev. | Prices in local currencies | High | Low | Close | Prev. | Prices in local currencies | High | Low | Close | Prev. | Prices in local currencies | High | Low | Close | Prev. | Prices in local currencies | High | Low | Close | Prev. | Prices in local currencies | High | Low | Close | Prev. | | | | | | | | | | | | | | | | | | | | | | | | |
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| Prices in local currencies | | | | | High Low Close Prev. | | | | | High Low Close Prev. | | | | | High Low Close Prev. | | | | | High Low Close Prev. | | | | | High Low Close Prev. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tel Aviv | | | | | Tel Aviv | | | | | Tel Aviv | | | | | Tel Aviv | | | | | Tel Aviv | | | | | Tel Aviv | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| High Low Close Prev. | | | | | High Low Close Prev. | | | | | High Low Close Prev. | | | | | High Low Close Prev. | | | | | High Low Close Prev. | | | | | High Low Close Prev. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Wednesday 4 P.M.
The 1,000 most traded National Market securities
In terms of dollar value, updated twice a year.
The Associated Press

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Wednesday's 4 P.M. Close
(Continued)

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ASIA/PACIFIC

Singapore Liberalizes Its Financial Structure

Positioning Itself for Recovery in Region

SINGAPORE — Singapore adopted a series of financial changes Wednesday, including allowing more of its surplus funds to be placed in private hands, to try to reposition itself as a financial center in advance of the region's recovery from its currency turmoil.

The changes, presented by Lee Hsien Loong, a deputy prime minister, would also free all stock-brokerage rates within three years, deregulate the fledgling unit-trust industry and speed approval procedures for share offerings.

The measures are also aimed at letting the public "decide for themselves what they want to invest in and what risks to accept," the government said. Among the measures was a move to encourage government-linked corporations and statutory boards to borrow from Singapore's debt market, where there are no long-dated corporate bonds at present.

"It is not our intention to turn the financial sector upside down overnight," Mr. Lee said, but he said Singapore was laying a framework for regional business, which is expected to pick up again after economic problems caused by the currency crisis dissipate.

"We are doing this for the medium and long term," he said, insisting that Singapore would not compromise its standards of integrity and supervision in the deregulation process.

He said the government wanted to improve the financial sector within the existing structure.

"You have a working system, and you want to improve it," he said. "You can't liberalize overnight, but we can do it over time."

Analysts said the changes, nearly all adopted from recommendations by a top private-sector advisory panel, had largely been expected and were part of Singapore's effort to expand its range of financial products to keep pace with those offered by competitors such as Hong Kong.

"It's a positive development and geared for the long term, but we had expected the government to adopt these reforms," said John Doyle, financial analyst with Union Bank of Switzerland in Singapore.

Timothy Wong, head of research at Vickers Ballas, said: "The news is significant in that it is a step in the



HELLO, MOM! — A man using a Telstra pay phone in Sydney. Telstra's first-half profit soared to 1.61 billion Australian dollars (\$1.08 billion) from 742 million dollars.

right direction. But the near-term concern is still the regional crisis and its potential impact on corporate earnings."

Singapore is the least affected by the sharp erosion in the value of regional currencies against the U.S. dollar, which has slowed economic growth and caused neighboring nations to make changes in their economic and financial systems.

The prosperous city-state has billions of dollars in public-sector funds, including a huge pension system, available for investment, but the government has so far adopted a conservative investment policy.

Public-sector funds account for 5 percent, or 6.5 billion Singapore dollars (\$3.93 billion), of the 125 billion dollars of funds managed out of Singapore.

The advisory panel proposed that this be raised to 20 percent, but Mr. Lee said the ceiling was still being worked out. He also said that as part of reforms, Singaporeans should be able to use their savings in the state-run Central Provident Fund to buy securities listed on the stock exchange that are denominated in foreign currencies. (AFP, Reuters)

Sales Gains Abroad Lift Honda Profit

TOKYO — Honda Motor Co. said Wednesday that its group profit for the three months to December rose 5.3 percent to a quarterly record and said it expected another record performance for its full year ending in March, helped by strong sales in North America.

Honda said group net profit, or net profit at Honda and its units, rose to 65.20 billion yen (\$515 million) in the October-December period as sales in North America made up for a slump at home and in the rest of Asia. Group sales rose 16.6 percent to 1.55 trillion yen in the period, also a quarterly record.

On a pretax basis, Honda's group profit in the October-December quarter was 26 percent higher than a year earlier, as Honda had to make a hefty corporate tax payment for the last business year, when its profit more than tripled.

"The good result was primarily due to solid sales in the North American market," a Honda spokesman said. "We are quite optimistic about achieving our full-year earnings forecasts."

In November, Honda predicted its full-year group net profit would be 250 billion yen, surpassing its record annual profit of 221.17 billion yen the previous year.

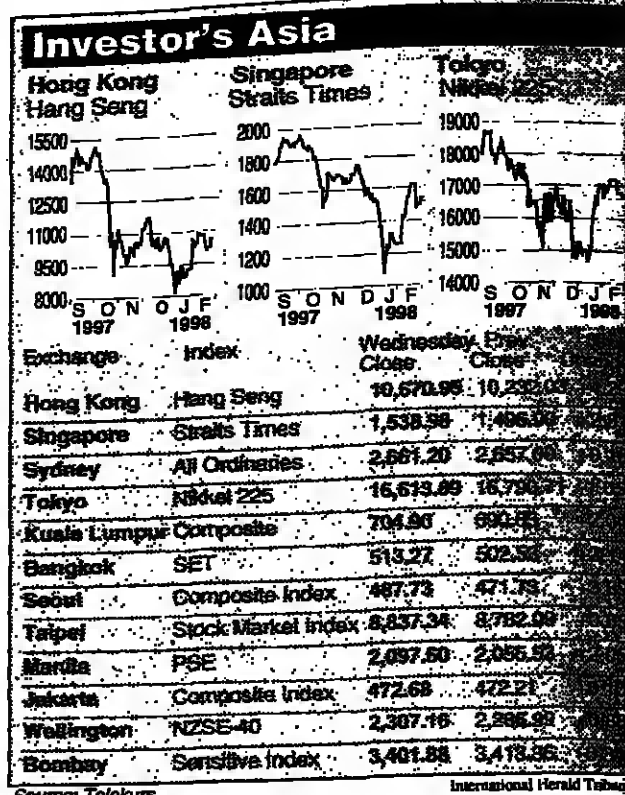
Honda said its Accord model had good sales in North America after new models were introduced in September. The yen's weakness, coupled with continued cost-cutting, contributed to Honda's earnings in the third quarter by making its products more competitive overseas.

The Honda spokesman shrugged off the possibility of any major damage to earnings from Asia's currency problems, which have already forced it to curb production in the region.

"The Asian region accounted for only 2 percent to 3 percent of our total annual group sales," he said. "Given the limited scale, we do not expect any major impact from this."

Takaki Nakanishi, an analyst at Merrill Lynch in Tokyo, said the North American vehicle market in general could suffer a slowdown in the next business year, with South Korea and some U.S. carmakers possibly ready to increase price competition in the market.

The earnings announcement came after the close of trading on the Tokyo stock market. Honda shares, regarded as a core blue-chip issue, closed at 4,530 yen, down 70.



Very briefly:

- Thailand's finance minister, Tarrin Nimmanahaeminda, said the government would unveil a three-year plan Tuesday to strengthen the country's banking and financial sector that would require financial institutions to adopt stricter reserve provisions and accounting practices.
 - Australian dockworkers in Melbourne protesting the start-up of a nonunion stevedoring company returned to work as the maritime union planned its next move in the dispute.
 - Ford Motor Co. applied to set up a 6.18 billion peso (\$153.4) car-assembly plant in the Philippines, a senior trade official said.
 - Australian Consolidated Press, Kerry Packer's magazine unit, raised its holding in Vietnam Investment Review Ltd., publisher of the country's only foreign-owned English-language weekly newspaper, to 100 percent from 70 percent. Sources said the transaction involved a cancellation of debt and no cash.
 - Edaran Otomobil Nasional Bhd., the finance company, EON Finance Bhd., agreed to merge with Gadek Capital Bhd., in Malaysia's third finance-company merger in less than two months.
 - South Korean prosecutors said the country's companies could lose 1.25 trillion won (\$771.4 million) in sales because of the illegal transfer of semiconductor technology to a Taiwanese company, Nan Ya Technology Corp.
 - Daewoo Motor Corp. upheld its pledge to invest \$1.5 billion in Poland by 2001 despite economic problems in South Korea, a senior executive at the automaker's flagship Polish plant said.
 - Fletcher Challenge Ltd., a New Zealand-based industrial, forestry and energy company, reported a 53.5 percent increase in its second-half profit, to 413 million New Zealand dollars (\$240.9 million).
 - GE Capital Services plans to set up a joint venture with Toho Mutual Life Insurance Co. April 1 to sell life-insurance products in Japan.
- Reuters, AFP, Bloomberg

Change of Outlook at Taiwan Bank

By Thomas Crampton
International Herald Tribune

BANGKOK — While Taiwan's central bank is issuing assurances that there will be a continuity of policy in its transition to a new governor, economists and bankers said Wednesday that the prime candidates to lead the institution were likely to speed opening of the island's economy.

The previous governor, Sheu Yuan-dong, whose conservative policies were credited with helping stabilize Taiwan through Asia's economic turmoil, was killed Monday in a plane crash at Taipei's Chiang Kai-shek Airport.

Taiwan's economy has resisted the collapse that has beset other countries in the region. On Wednesday, the government released quarterly growth statistics that outstripped all estimates.

The Directorate General of Budget, Accounting and Statistics reported that the economy grew 7.08

New Chief Expected To Open Economy

percent in the fourth quarter of 1997 compared with a year earlier, pushing full-year growth in 1997 to 6.81 percent. The chief of the directorate, Wei Duan, said the quarterly gain, the highest since a reading of 7.55 percent in 1991, came as consumer-price inflation for the year hit a 10-year low of 0.90 percent.

While analysts say economic policy will not change overnight, virtually all of the candidates likely to succeed Mr. Sheu as central bank governor are likely to pick up the pace of reform.

Mike Chang, senior vice president and general manager of international banking at Chang Hwa Commercial Bank, said: "Almost all the possible governors have studied abroad, and they all have very international outlooks. They are also all much younger than Mr. Sheu, so they will perhaps be more

active in the post and with liberalization."

While the new bank governor will be announced next week, people in Taiwan's financial community have narrowed down the list to a handful of candidates, with Paul Chiu, the reform-minded finance minister, as the leading contender.

Other possible candidates to serve as governor until 2000, when the current term runs out, include the central bank's deputy and acting governor, Patrick Liang; the chairman of the Bank of Taiwan, Lo Chitang; a minister without portfolio, Shirley Kuo, and the chairman of International Commercial Bank, Peng Fai-nan.

Despite being one of the world's top trading nations, Taiwan has a currency that cannot be freely exchanged, and its economy remains relatively closed to foreigners.

Liberalization moves could include lifting the 30 percent ceiling on foreign ownership of listed companies, issuing more licenses to



Paul Chiu, a reformist, is a top candidate as central bank head.

foreign commercial banks and securities companies, and allowing foreigners to invest more freely in bonds and commercial paper.

"Looming over all issues about liberalization is, of course, internationalizing the currency," said Francis Yu, director of SBC Warburg Dillon Read in Taiwan. "But I don't see any rush to change that."

SPONSORS: Corporate Goals vs. Olympic Ideals in Nagano

Continued from Page 13

way Japan, are "Gold Sponsors," giving them rights in Japan for the Nagano games only — and use of the Olympic rings in their advertising.

"Corporate sponsors help make the Olympics accessible to the world," said Scott McCune, director of worldwide sports for Coca-Cola, which began Olympic sponsorship in 1928 by sending the U.S. team to Amsterdam with some Coke.

A 1996 poll by The Associated Press, conducted just as the Atlanta Olympics began, found that 66 percent of Americans felt commercial participation was necessary; just 29 percent thought the Olympics had become too commercial. And 86 percent said a company's sponsorship has no bearing on their buying habits.

This year, though, has seen some interesting juxtapositions that are unlike Olympics past. At the opening ceremony, Samaranch wore a Mizuno coat in a forum that is traditionally logo-free. And CBS Sports' decision to wear jackets emblazoned with Nike's emblem had some Olympics watchers crying unethical.

"That told me that everything and everyone is for sale," said Susan Hofacre, head of the sports administration department at Robert Morris College in Pittsburgh.

"I've gotten used to seeing it all over athletes," she said. "I'm used to skiers basking in the sun so you can see the 'Rossignol.' But when I see sports announcers and the head of the IOC doing that, it becomes jarring."

Though not an Olympic sponsor, Nike is a major presence in Nagano. Its ath-

letes number in the thousands and its logo no longer requires the accompanying word "Nike" to be recognized.

"I'm not depressed at being a ubiquitous symbol," said Vizhitz Corpuz Mooney, a Nike spokeswoman. "Yes, the things that we do as a sports company are becoming more themselves. But we're just doing what we do."

Ultimately, the question is this: Does what corporations add to an Olympics outweigh concerns about money-making ventures being so crucial to what, theoretically, is supposed to be a final bastion of sport for sport's sake?

"There are no total tyrants and no totally good people in this," said John Lucas, a Penn State professor emeritus who has been researching the Olympics for 35 years. "But as long as we are alive, it is impossible to exclude the corporate sector."

ITALY: Prodi Begins to Roll Out a Series of Free-Market Reforms

Continued from Page 1

with plans to introduce more disclosure requirements and improved corporate governance rules for publicly quoted companies on the Milan bourse, and the Consob stock market regulatory authority will strengthen its protection of small investors.

What is surprising about the new drive toward deregulation is that while there have been some complaints from trade unions and opposition leaders, the Prodi deregulation plan, especially the package concerning the state bureaucracy, has sparked relatively little in the way of mass protest.

Silvio Berlusconi, leader of the center-right opposition, on Wednesday welcomed the changes to the stock market, but criticized the government's approach on bureaucracy and retailing as "a shift from a dirigiste vision of the economy to a wildly free-market approach."

Mr. Berlusconi said he agreed "with the principle of introducing private-sector concepts in the public sector." But Mr. Berlusconi contended in an interview that "the way the government is moving seems to us a way of getting rid of those senior bureaucrats who are not politically in line with the government, and putting their own people in, as in a regime."

Mr. Prodi and other government officials deny vociferously that there is any attempt to pack the bureaucracy with political nominees. According to Franco Bassanini, the minister responsible for shaking up the bureaucracy, "We do not plan to have thousands of political appointees, as is the case in Washington when a new administration takes office, but we do want to be able to change senior officials on the basis of merit and efficiency."

Some wildcat union movements have also protested about the rules affecting public sector employees, but the response from Italy's three official trade unions — the CGIL, CISL and UIL — has been fairly muted, even cooperative.

By contrast, the last time anyone in

France spoke of curbing the privileges of public-sector employees, in 1995, a finance minister lost his job and militant unions took to the streets, threatening social cohesion.

In Germany, meanwhile, attempts to liberalize the retail sector have produced limited results, while repeated efforts to liberalize the state bureaucracy have stalled in Parliament.

"The opposition to reforms in Italy is less visible than elsewhere in Europe," said Ken Watret, an economist at PARI in London, "because a series of Italian governments have had to tackle longer term economic reforms anyway, including radical fiscal policies, in order to qualify for the single currency. And so a culture of reform has been established and it is a climate more conducive to sweeping reform than in other countries such as France and Germany."

In Frankfurt, Norbert Walter, chief economist at Deutsche Bank, said the reason Mr. Prodi has been able to launch the deregulation measures is that "this is a consensus society, which can be led to the middle only by the center-left."

"If Helmut Kohl did this in Germany," said Mr. Walter, "he would be accused of representing rich people and big business, but in Italy the center-left can argue that globalization doesn't leave them any alternative and they can get away with it."

Mr. Walter said the same type of liberalization moves had been pushed through by center-left governments in Holland and Sweden, where the governments also had close ties to unions.

Innocenzo Cipolletta, director-general of Confindustria, the Italian employers' federation, agreed, saying that "in Italy it has been the left and the trade unions that have traditionally engaged in street protests, but the left and the unions here are in a tacit nonaggression pact with the government."

Mr. Cipolletta also stressed that the Prodi government had softened the political impact of its measures by limiting the extent of pension reform and by

promising to introduce legislation requiring the introduction of a 35-hour working week.

"The reforms of retailing, the stock market and the bureaucracy are good reforms, and they go in the right direction, but they do not really hit the pocketbook interests of most voters on the center-left," he said.

Opposition to retailing deregulation, for example, has come from Sergio Bille, head of the Confindustria traders' and retailers' association, whose members tend to favor the center-right more than the governing center-left coalition. Mr. Bille has argued that the abolition of licenses for retailers that open shops of up to 300 square meters will mean financial hardship for shop owners who traditionally pay high prices for licenses and consider these to be an asset that can be sold along with the rest of their business.

Mr. Berlusconi suggested a more gradual approach for the reform of retailing, saying that "to eliminate all licenses immediately will damage family businesses and cause anarchy." The opposition leader also said the retail sector reforms would "hit a group of people who are not part of the Prodi government's electorate."

Mr. Berlusconi also criticized the government's plan to introduce legislation mandating a 35-hour working week, calling it "economic suicide" and noting that the only reason the plan exists is because it was the price Mr. Prodi had to pay during a political crisis last October in order to avoid losing the parliamentary support of the far-left Refounded Communist Party.

Mr. Prodi instead insisted that an accord on the legislation would soon be reached between the government, trade unions, the business community, and the Refounded Communists.

"We have not yet found the right accord, but we will achieve this without damaging social cohesion," he said. "The government wants to talk to all social parties."

The
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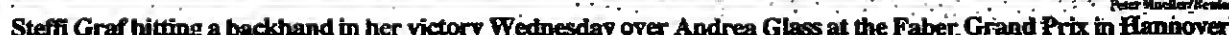


Energy
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01, A
READY-TO-V

Rashid Latif, the Pakistan captain, said his team had debated returning home because of persistent speculation over the mugging of two players, Mohammad Akram and Saqlain Mushtaq. The police have been investigating claims the two players were seen at a Johannesburg night club at the time of the alleged attack. (Reuters)

"I told him I could beat him up if I wanted because I'm a deputy and I have immunity," Tsaklidis said.



On Wednesday, Graf sometimes struggled with her backhand and committed numerous-unforced errors against Glass, who is ranked 95th in the world. At the start of the second set, Graf threw her racket in frustration.

In Graf's absence, Martina Hingis has taken over the No. 1 ranking. But Graf, who has won 21 Grand Slam titles, said Monday that she was still ambitious. "If I didn't have that ambition, I

said the eighth seed. "There is nothing you can do about it. If I can keep working at my game, I know I'll come out the other side and the wins will come."

"He shoved Kyle Bova, almost viciously, into the fence," Hill testified.

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Despite NHL Stars, Americans Miss Medal Round

By Rachel Alexander
Washington Post Service

Gretzky celebrating after creating Steve Yzerman

OLYMPIC SCHEDULE

THURSDAY, FEB. 19

ALPINE SKIING, Sligo—Wanam: Giant Slolon, 9:30 a.m.; Men: Giant Slolon, 11:15 a.m.

WRESTLING, Hoboken—47.5m relay, 1 p.m.

WOMING COMBINED, Hoboken—47.5m Team, 9:30 a.m.

SHORT TRACK SPEEDSKATING, Nagano—5000 meters, 7 p.m.; Men: 500 meters preliminary, 7 p.m.; 5000 meters relay preliminary, 7 p.m.

SPEEDSKATING, Nagano—1000 meters, 3 p.m.

PUTNEY, FEB. 20

ALPINE SKIING, Sligo—Wanam: Giant Slolon, 9:30 a.m.

WRESTLING, Four-Man—3 p.m.

WOMING COMBINED, Hoboken—Wanam: 30km Free, 9 a.m.

FIGURE SKATING, Nagano—Wanam: Free skid, 7 p.m.

ICE HOCKEY, Nagano—Men: Seattle/Can. Czech Republic, 7 p.m.; Women: Canada, 4:05 p.m.

WOMING COMBINED, Hoboken—47.5m Team, 1 p.m.

SPEEDSKATING, Nagano—5000 meters, 3 p.m.

...The Associated Press
erman's goal.

Robert Sullivan/Agence France-Press

Canada and Russia, both 4-0, are the only

advanced to the semifinals, getting 25 saves from Mikhail Shtalenkov as it beat Belarus.

By Helene Elliott
Los Angeles Times Service

VANTAGE POINT

opportunity to achieve what we wanted or because we felt

and Chris Prouger. Eric Lindros rose to his feet several times to lead ovations. Rob

for them as athletes who were given so little, yet made so much of it.

Judges Vote for Elegance Over Joyful Exuberance

By Jere Longman
New York Times Service

Wednesday's two and a half minute short program, with its eight required elements involving jumps, spins, spirals and footwork, counted for one-third of the scoring. Friday's four-minute free skate will count for two-thirds of the scoring. It is here that Kwan has an even greater advantage because the artistic scores serve as the tiebreaker.

She was fast and jubilant, smiling widely when she landed the triple flip that she had crash-landed at nationals and again when she landed her double axel. But it was the polish of her spirals and grace of her overall performance that defined her performance.

"Artistically and emotionally, that's the best I've ever seen her do," Callahan said.

A high-contrast, black and white photograph of a person in mid-air, performing a backflip or similar acrobatic move. The person is wearing a light-colored, patterned shirt and dark pants. The background is dark and textured, possibly a wall or a large screen.

Tara Lipinski of the United States skating the short program Wednesday.

GAMES: Kwan and Lipinski Are 1 and 2

Continued from Page 1

Kwan lost her U.S. and world championship titles early last year to the upstart Lipinski after making mistakes in the short programs at both competitions. Kwan's disappointment was so great that she became angry with herself, and decided that the theme of this season would be the joy of skating, since skating is her favorite thing to do.

“In my start pose,” Kwan said, “I thought: Ready or not, here I go.” Turns out, she was ready. So was Lipniski.

هكذا من الجمل

WINTER OLYMPICS

Heavy Snow Postpones Alpine Ski Competition

The Associated Press
SHIGA KOGEN, Japan — Olympic alpine skiers moved to a new mountain Wednesday, and the bad weather came with them.

An overnight blizzard dumped more than three feet (a meter) of snow on Mount Higashidate, forcing postponement of the men's giant slalom and delaying Alberto Tomba's bid for a medal in an unprecedented fourth Olympics.

Bulldozers and an army of 750 workers, most of them camouflage-clad members of the Japanese defense force, worked through the day to clear drifts up to six feet deep on the giant slalom course.

Officials were optimistic that the course would be ready by Thursday, when the men's giant slalom and, on a mountain 10 miles away, the women's slalom are now both scheduled.

"We can get it in shape," said David Pym, technical director for the men's race. "These guys will work as hard as anybody I've ever seen before."

The blizzard reduced visibility to zero Tuesday night on the winding, narrow road that leads from Nagano to the scattered ski areas of the Shiga Kogen region. Cars parked at the hotels along the way were little more than bumps in the snow.

The storm didn't subside until about 5 A.M., and that didn't leave enough time to remove the snow in time.

Bad weather has wiped out 6 of the 11 days of alpine skiing. That left three days — and four races — on the schedule, so the options were limited.

Bjoerndalen Leads Nordic Sweep in Sprint

The Associated Press
NOZAWA OONSEN, Japan — Ole Einar Bjoerndalen grew up in a Norwegian village where biathlon was just about the only fun boys could have. On Wednesday, for the swift sharpshooter, the fun turned into gold.

"I had perfect skiing and the best shooting I've ever done," said Bjoerndalen, who won the 10-kilometer sprint in 27 minutes, 16.2 seconds. Following carefully each time he pulled the trigger, he struck all 10 targets.

With the silver going to a Norwegian teammate and the bronze to a Finn, the Nordic nations put their stamp on this ski-and-shoot sport at the Nagano games.

Frode Andresen had to overcome two penalty shots, but he skied hard to win the silver in a 28:17.8. Ville Raikonen missed one shot to finish in 28:21.7.

It was Norway's second biathlon gold, double the number for traditional biathlon powers Germany and Russia.

"I think we have a really good chance for the relay," Bjoerndalen said of the final men's biathlon event. "We have five or six people who can do well."

Eight of the competitors shot perfect scores, including Victor Maigourov, the Russian who is ranked third in World Cup standings after Bjoerndalen. Ricco Gross of Germany, the world No. 1, has fared well at these games. He finished 17th in the sprint and sixth in the earlier 20-kilometer.

Bjoerndalen thought he had the gold in his grasp Tuesday. When officials stopped the 10-kilometer sprint due to heavy fog and snow, the 24-year-old student was leading the field and coming into the final two kilometers. "I was really angry," he said. "But five minutes later I was ready for the new race."

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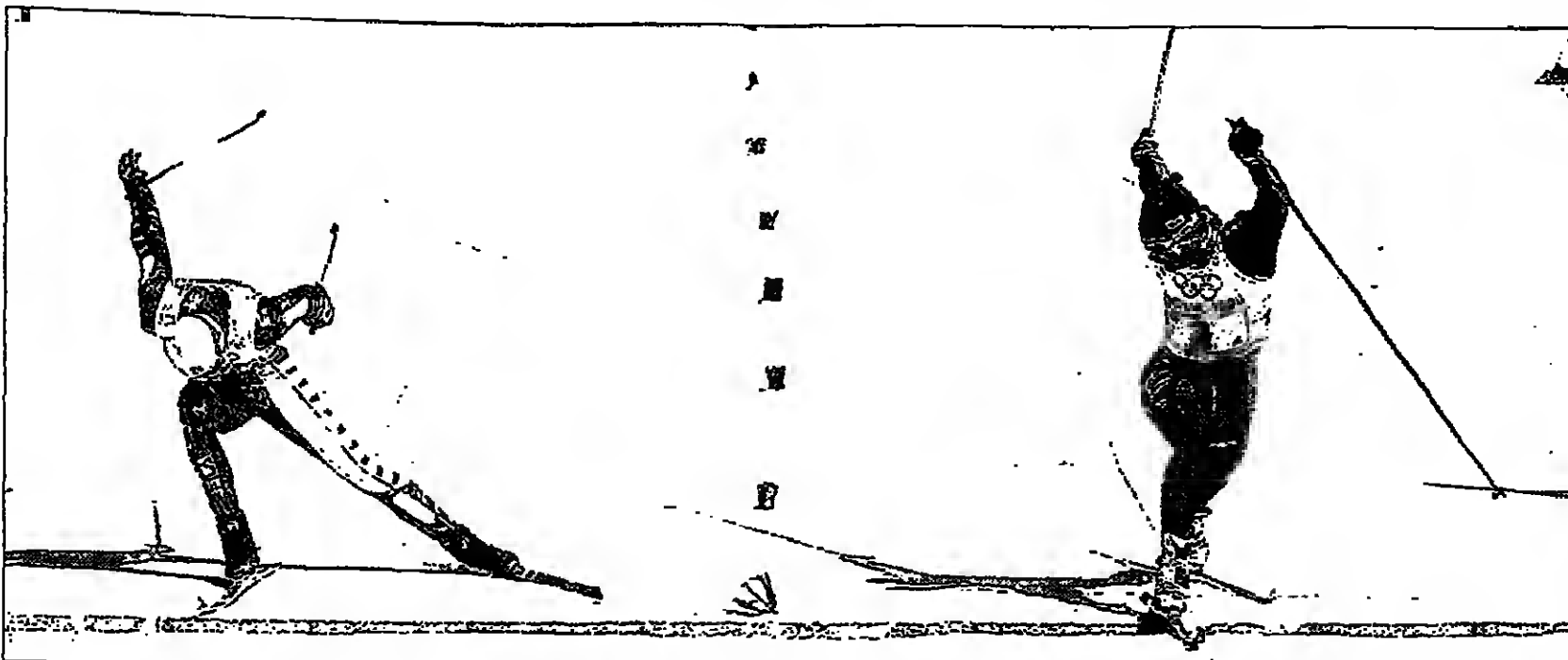
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Norway's Thomas Alsgaard, right, lunges at the finish line to beat Italy's Silvio Fauner and win the gold medal in a cross-country relay by 0.2 seconds.

Norway's Dahlie Collects a Record 7th Gold

By Christopher Clarey
New York Times Service

HAKUBA, Japan — Every Olympic event that Bjorn Dahlie now enters is not simply a race against his opponents but a race against his predecessors.

After Wednesday, he has defeated them all. Norway's remarkable and remarkably slim victory over Italy in the 40-kilometer (24.8-mile), four-man relay gave Dahlie his seventh Olympic gold medal: more than any athlete in Winter Olympic history. His 11 career medals are also a Winter Olympic record.

"Of course it means something to me, and I will be able to fully appreciate it in some years when I'm a grandfather and I'm sitting around watching old videos," said the 30-year-old Dahlie. "But for me, it's more important right now to focus on each single race."

There was much to focus on during this sunlit morning: a rarity in these Olympics that have alternated indiscriminately between rain, snow and fog. Four years ago in Lillehammer, the Italians stunned the Norwegians in front of more than 100,000 fans in the Birkebeiner Ski Stadium as Silvio Fauner outskirted Dahlie in the stretch, winning the gold by the smallest margin in Olympic relay history: four-tenths of a second.

Dahlie no longer skis the anchor leg. And after Norway's Sture Sivertsen got off to a disastrous start, finishing the first leg 22.6 seconds off the lead in 10th position, and Norway's second skier, Erling Jevne cut that deficit to 12.6 seconds, Dahlie took off in freestyle

pursuit of Italy's Fabio Maj. He quickly erased the lead and then, in a tactical move, slowed to let Italy's Fauner start the anchor leg in front.

This time, Fauner's would-be foil was Dahlie's Norwegian neighbor Thomas Alsgaard. But in the end, Alsgaard did what Dahlie could not, out-lunging the Italian at the finish line with

pace, temperament and technical support (waxing and material) that make a skier a champion over one distance of ten translate well to another. And though some skiers are appreciably better in classical technique than the freestyle, or skating, technique, Dahlie is no specialist.

Slightly more menacing in freestyle, he has won two of his five individual gold medals in classical races, including the 10-kilometer event he won here last week to rebound from a miscalculation about wax that had caused him to finish 20th in the 30-kilometer freestyle.

What is easier to argue is that Dahlie is the greatest cross-country skier in history. According to former French skier Francis Repellin, who is now one of Dahlie's ski technicians, his tolerance for oxygen deficit is "extraordinary" and his tolerance for training is the same as he logs more than 6,000 miles a year on skis, roller skis, bicycle, hiking boots and canoe.

He has become a red-headed cockatoo of drive and precision who is perhaps even more meticulous than Swedish cross-country great Gunde Svann, who ranks second behind Dahlie in all-time World Cup victories.

Dahlie plans his daily schedule down to the minute and is so concerned about maintaining perfect health — finely tuned skiers are more susceptible to viruses — that when he arrives in a strange hotel room, he spreads a sheet of plastic on the floor to protect himself against germs and sleeps with an air purifier.

Although cross-country is an

often solitary and always grueling way to earn a good living, Dahlie is not one-dimensional. He is an accomplished hunter who often tracks birds and moose in the wilderness with his dog. For the last two summers, he and former Norwegian teammate Vegard Ulvang have hosted a popular television program in which they sample the cuisines and cultures of Europe with help from a Norwegian chef.

Dahlie also has a family with long-time girlfriend Vilde. The couple, who live in Nannestad, have two young sons: Sivert, 3, and Sander, 1. Both are too young to appreciate what their father means to Norway: a nation where Nordic sports have as much resonance as football in Texas.

Dahlie's recently published autobiography entitled "Gulljakten" (Going for Gold) has sold approximately 140,000 copies in a nation of 4.3 million.

"It's difficult for somebody outside Scandinavia to understand," Dahlie once said. "I have had people come up to me in the street and tell me they have been crying in front of the television."

There has been some controversy. After winning the 800-meter gold medal at the last Summer Olympics, Norwegian runner Vegard Rødal criticized Dahlie for using an altitude house for training, claiming it gave him an unethical advantage because it artificially increased his red-blood-cell count. Dahlie did not disagree but has continued to use the method, as have many of his competitors in Finland, Sweden and Russia.

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ART BUCHWALD

Your Own Prosecutor

WASHINGTON — "How," I am constantly asked, "can we prevent something as surreal as what is going on in Washington from happening again?"

A simple solution. Every time a person is selected for a high government position, he must be sworn in with his own special prosecutor.

The special prosecutor will remain at his side the entire time the person serves, becoming part of the family.

The special prosecutor will have the right to subpoena witnesses, tap phones and investigate the sex life of anyone acquainted with the appointee or his family.

Let's say Willington is sworn in as the president's adviser on haldness. His special prosecutor will immedi-

ately call a grand jury to hear witnesses testify against him.

The way he will do this is to offer immunity to anyone who has anything bad to say about the president's adviser. The feather in the prosecutor's hat will be if his investigation leads to misconduct in the Oval Office.

Let's say the special prosecutor digs up information taped by a disgruntled administration employee concerning Willington's offer to invite a White House intern to accept a plane ride and logging from a Japanese car company for the Winter Olympics. This leads the prosecutor to discover Willington once had a one-night stand in Sun Valley with a figure skater from the women's Olympic team.

The prosecutor subpoenas the skater to testify about the affair and produce gifts exchanged with the official.

The prosecutor offers the skater a pardon if she declines to take the Fifth. Her lawyer says no unless she gets a job in Paris.

That is just a hypothetical situation. Many special prosecutors who hang out with appointees will still be unable to dig up anything that would send someone to jail. It isn't necessary for an SP to produce a conviction when assigned to prosecute someone — but if he comes up with nothing, his chances of an interview with Barbara Walters are nil.

One special prosecutor who got nothing recently could be seen standing in front of the White House handing subpoenas to anyone who walked out of the gate.

He knew he was playing a long shot, but that is what special prosecuting is all about.

A Very Bubbly Year For Champagne Sales

Agence France-Presse
EPERNAY, France — The world drank Champagne like never before last year, with a record 268.9 million bottles being sold, up 5.1 percent from the year before, the French champagne producers' association reported.

It was the first time that more than 100 million bottles of Champagne were shipped outside France, and French sales were up, too, to a record 165.1 million bottles. Total sales were expected to go as high as 17 billion francs (\$2.8 billion), up from 15.8 billion francs in 1996.

Berlin Film Fest, Post-Wall, Goes for the Gold

By Alan Riding
New York Times Service

BERLIN — During the Cold War, the Berlin Film Festival had loads of money and a strong political mission. Today it is hard up and struggling to find a new identity. Not that it has many options. At the world's main film festivals, business has long since supplanted art or even politics as the main concern. Berlin, it seems, has had little choice but to go commercial.

As in recent years, the big American studios have again used Berlin as a European showcase for movies already released in the United States, among them "Good Will Hunting," "The Boxer," "Jackie Brown," "Wag the Dog" and "The Gingerbread Man." The festival provides the films with a good deal of publicity, but they will all soon be in theaters here.

But when it comes to finding new films with box-office potential, the shadow of Cannes in May already hovers over Berlin in February. A good many producers prefer to gamble on their movies being picked for Cannes rather than to accept a slot in Berlin's official competition. Until this year, Italian films were boycotting Berlin to favor the summer film festival in Venice.

Still, at this 48th Berlinale, which closes on Sunday with the screening of Peter Heuvel's "Sliding Doors," at least three films have been enthusiastically received by critics and Berlin audiences and seem likely contenders for the festival's Golden Bear awards this weekend: the Coen brothers' latest, "The Big Lebowski"; Neil Jordan's adaptation of the Irish novel "The Butcher Boy"; and Walter Salles' "Central Station" from Brazil.

Set in Los Angeles in the early 1990s, "The Big Lebowski" is a Raymond Chandler-inspired comedy of errors that plunges a chronically lazy marijuana smoker who calls himself the Dude (Jeff Bridges) and his manic Vietnam veteran pal Walter (John Goodman) into a tale of kidnapping, extortion, double-crossing and seduction when they would both prefer to be bowling with their friend Donny (Steve Buscemi).

Thanks to "Barton Fink" and "Fargo," Joel and Ethan Coen seem to be fast acquiring the cult adulation previously reserved in Europe for Woody Allen. And the proof was the most crowded post-screening news conference of the festival so far. Since the brothers are not famous talkers, however,



Clockwise from top left, Pam Grier and Samuel L. Jackson; writer Curt Siodmak; actress Laura Morante and director Vincente Aranda; Catherine Deneuve.



the questions were often longer than the answers.

Asked about one scene that seemed to have no rhyme nor reason, Joel Coen, the film's director, explained that it was "what we call a 'Kafka break.'" And to the question of whether the movie had any purpose beyond laughing at Nazis and "Hispanic pederasts" (a reference to a character played by John Turturro), he paused and then offered, "I guess you hit the nail on the head."

"The Butcher Boy," a dramatic switch for Jordan after "Michael Collins," is also full of humor though it tells a darker story, of a 12-year-old boy growing up in a small Irish town in the early 1960s.

Francie Brady, played by Eamonn Owens, lives in a fantasy world peopled by the Lone Ranger and the Virgin Mary (Sinead O'Connor). The film, in which Stephen Rea plays Francie's drunken father and provides Francie's own voice recounting the story 20 years later, is remarkably faithful to the novel, which was a finalist for Britain's Booker Prize in 1992. "The book is one of those extraordinary books that is so local that it is not even Irish," Jordan said. "I just wanted to show the series of disasters that occur to this boy and lead his mind to becoming unhinged." In picking Eamonn Owens for the challenging role of Francie, Jordan said he followed his belief that "if you cast a child, you're better off casting one

who has done no acting." Salles belatedly reached the same conclusion in "Central Station," auditioning 1,500 boys before picking Vinicius de Oliveira, a 10-year-old shoe shine boy in Rio de Janeiro, Brazil, to play one of the two lead roles, Jorginho.

In the movie, which was well received at this year's Sundance Film Festival, Jorginho sees his mother killed by a bus outside Rio's main railroad station. Homeless and destitute, he is befriended by Dora (Fernanda Montenegro), a retired schoolteacher who now writes letters dictated to her by illiterates passing through the station (albeit posting only those of which she approves). Eventually, the two set off by bus for Brazil's impoverished northeast in search of Jorginho's father.

"Central Station" stands out for its realistic depiction of the lives of ordinary Brazilians. It also offers evidence of a rebirth of Brazil's movie industry thanks to new investment incentives. Last year's Berlinale presented Bruno Barreto's "Four Days in September," which was nominated last week for an Oscar for best foreign-language film.

In contrast, with the exception of "The Butcher Boy," Europe's offerings were modest here this year. Nick Hurran's "Circle Night" is a tear-and-laughter story of two middle-aged working-class British women, played by Brenda Blethyn and Julie Walters, who share their bingo winnings and head off to Las Vegas for a final fling after one of them is diagnosed with terminal cancer.

For the official competition, Germany offered only "The Big Mamma," a light-hearted first movie by the actor Michael Gwisdek in which he and his wife, Corinna Harfouch, star as an actor and actress trying to make their first movie. Jeroen Krabbé, a well-known Dutch actor, chose to make his first film, "Left Luggage," in English, although it is set in Antwerp's Jewish community.

But after Jacques Doillon's perennial French love triangle, "Trop (Peu) d'Amour," provoked snickers and yawns from one festival audience, it took the veteran French director Alain Resnais to show that life remains in the European movie industry.

In "On Connait la Chanson" ("Same Old Song"), his trick is simple but effective: In a light tale of love and intrigue, his characters keep breaking out in song, lip-synching popular French songs with straight faces to hilarious effect.

PEOPLE

THINGS seemed pretty fishy for Kevin Kline when he went to Harvard to accept the Hasty Pudding Club's Man of the Year award. First, members of the drama club rolled out a fish tank. Then they tried to get Kline to swallow a fish, a feat he performed in the movie "A Fish Called Wanda." In the end, Kline only fed it. "I'm truly honored and touched in ways too indescribable to tell you," Kline said in accepting his award. He won an Academy Award for best supporting actor in "Wanda," and his recent movies include "The Ice Storm," in which he co-starred with Sigourney Weaver, who received the Hasty Pudding Woman of the Year award last week. Kline also won Tony Awards for stage work in "On the Twentieth Century" and "The Pirates of Penzance."

Frank Sinatra does not have cancer, according to a message put on his family's Web site to counter reports that he has cancer of the bladder. "As far as we, his family, know, at the present time there is no cancer anywhere in Frank's

body, and he is not in need of surgery of any kind," said the Web site at Sinatrafamily.com. The 82-year-old singer was in a Los Angeles hospital last week undergoing a series of tests.

The action superstar Jackie Chan has launched an international campaign with two organizations seeking to persuade people not to consume products derived from endangered species. Chan

is working with The Global Survival Network and Earth Care, a Hong Kong animal conservation group. "This year is the Year of the Tiger, but there are only 5,000 wild tigers left," Chan said. "Please help me to help the animals. Remember, when the hnying stops, the killing can too."

Courtney Love says she's out \$27,543 after winning a case in which

she was charged with slugging two fans during a 1995 concert. Love wants Orange County, Florida, to reimburse her that amount for legal fees, but the county is offering only \$1,900. "We're trying to be nice," prosecutor George Dorsett said in the Orlando Sentinel. "I have tried to err on the side of giving her too much money." Two counts of battery were thrown out after a judge ruled that the two teens allegedly struck by the singer at a concert by Hole, Love's former group, were not exposed to any more violence than could have been expected at a rock concert.

The names of the actors Glenda Jackson and Jeremy Irons and the best-selling novelist Jeffrey Archer are being tossed about by press and public as possible candidates for the job of mayor of London. Under a Labour government plan, Londoners will vote in May in a referendum asking if they want a directly elected mayor. If the voters say yes, a mayoral election will probably take place in May 2000.

Titanic Distress Signals Fetch \$123,500

Agence France-Presse
NEW YORK — Christie's auction house received \$123,500 for some chilling memories: 34 distress signals sent on the night the luxury liner Titanic struck an iceberg and sank in the frigid waters of the Atlantic. "We have struck an iceberg," was the terse wireless message the Titanic sent to its sister ship, Olympic, at 11 P.M. on April 14, 1912. Twenty minutes later, the Titanic sent another message: "We are putting the passengers off in small boats." Interest in the printed messages, translated by cable operators from Morse code, was fueled by the stunning success of James Cameron's film "Titanic." In all, 53 messages were auctioned in the Christie's sale Tuesday of model boats, marine equipment and navigational instruments.



Kevin Kline and fish fans at Harvard's Hasty Pudding Club ceremony.

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